

**DEPARTMENT OF LOCAL TAX SERVICE PERFORMANCE
IN INCREASING LOCAL OWN REVENUE IN MALANG**

(Study on Parking Tax Collection in Shopping Center Malang)

UNDERGRADUATE THESIS

Submitted for Bachelor Degree of Public Administration

Faculty of Administrative Science University of Brawijaya

RANA NUR RODIAH

SID. 145030100111064



UNIVERSITY OF BRAWIJAYA

FACULTY OF ADMINISTRATIVE SCIENCE

PUBLIC ADMINISTRATION DEPARTMENT

MALANG

2018

MOTTO

**Never have negative thinking on your mind because it just will make
your life become Bad**

**Be patient, Pray and Believe to Allah SWT, so everthing's gonna be
Beautiful**



SUMMARY

Rana Nur Rodiah, 2018, **Department Of Local Tax Service Performance In Increasing Local Own Revenue (Study on Parking Tax Collection in Shopping Center Malang at Department of Local Tax Service Malang)**, Prof. Dr. Sjamsiar Sjamsuddin, 150 pages + xvii

This study was conducted on the basis Department of Local Tax Service Performance that still not maximal in managing the local tax, especially parking tax. The number of tax objects that have not been registered as a taxpayer and lack of control in the process of tax collection using self assessment system can reduce Local Tax Revenue in Malang. In addition Malang still depends much on balance fund given by Central Government. The purpose of this study is to know, analyze, and describe Department of Local Tax Service Performance in increasing Local own Revenue and to know, analyze, and describe the supporting factors and inhibiting factors Department of Local Tax Service Performance in increasing Local Own Revenue.

This research is descriptive research with qualitative approach and limited with research focus that Department of Local Tax Service Performance in increasing Local Own Revenue, influencing factors to Department of Local Tax Service Performance in increasing Local Own Revenue. The data analysis used is Miles Huberman interactive data model analysis with data collection, data condensation, data presentation, and conclusion. The research shows that Department of Local Tax Service Malang performance in increasing Local Own Revenue has not been optimal due to the lack of human resources quantity. And also, the tax payment process still has impractical method. Beside that, there are many taxpayer that pay their tax inappropriate to receivables tax and also many tax objects have not registered as taxpayer. Meanwhile, Department of Local Tax Service Malang performance also still lacking, the tax potential management has not been optimal yet, it shows based on Local Revenue contribution rate to the Total Revenue Malang is still minimal. This indicates Malang depends a lot to Central Government.

Based on this research, I recommend to increase the quantity and quality of employee resources in Department of Local Tax Service Malang. Simplify the tax payment process, add more e-tax and joint operation / *osgab (operasi gabungan)*, intensification and extention the local tax, give proper penalty to people or community who did not pay their tax, and do more socialization about tax.

PREFACE

Praise of author toward Allah SWT, who has given and mercy, therefore author could finish undergraduate thesis entitled “ Department of Local Tax Service Performance in Increasing Local Own Revenue in Malang (Study on Parking Tax Collection in Shopping Center Malang) “. This undergraduate thesis as the final exam proposed to fulfill the requirements for obtaining the undergraduate degree of Public Administration in Faculty of Administrative in University of Brawijaya Malang.

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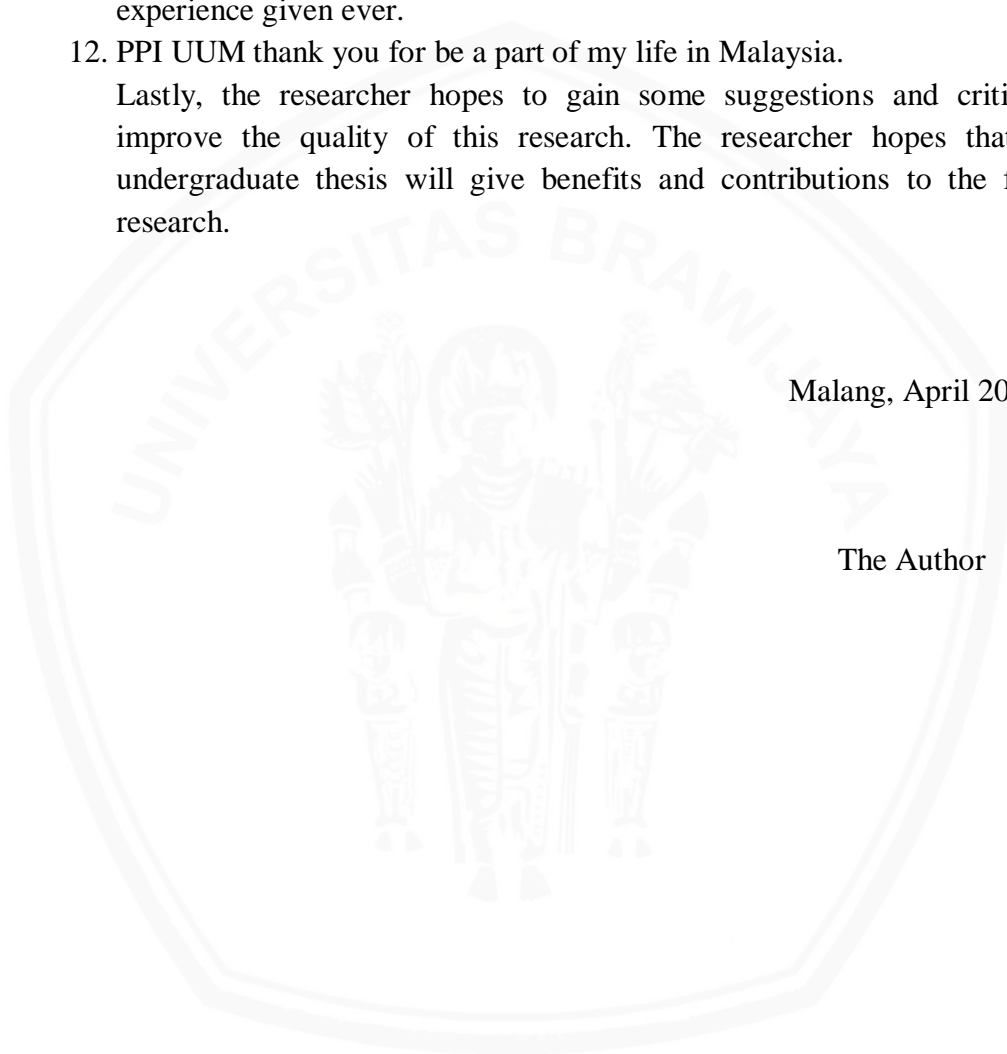
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3. Mrs. Dr. Lely Indah Mindarti, M.Si as head of Public Administrative Science Study Program.
4. Mrs. Prof. Dr. Sjamsiar Sjamsuddin as advisor for this undergraduate thesis who willing to spend the time to guide and direct the author.
5. All the lecturers at Faculty of Administrative Science University of Brawijaya, thank you for all the knowledge from learning process untill the end of the study period. Especially, Drs. Lely Indah Mindarti, M.Si., Dr. Choirul Saleh, M.Si., and Rendra Eko Wismanu S.AP., M.AP. Who helps the process of exchange program.
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8. Big family of K class Public 2014 (Sindi, Virda, Nadia, Ryan, Aghnia, Ivasty, Joe, Kindi, Lia, Allya and Dea) who become the best part of my life.

9. My best one Robby Sanjaya S.E, thank you for being my everything and always support me.
10. Thanks to my soulmate Ayuningtyas Suci Damayanti, who are really kind to support the researcher.
11. Big family of Northern University of Malaysia (Dr. Zubair, Prof. Azhar Harun, Cik Zam, Cik Muslimin bin Wallang, Puan Nira, Puan Rosada, Puan Zalinah, Mrs. Daisy Osculla) thank you for the knowledge and experience given ever.
12. PPI UUM thank you for be a part of my life in Malaysia.

Lastly, the researcher hopes to gain some suggestions and critics to improve the quality of this research. The researcher hopes that this undergraduate thesis will give benefits and contributions to the future research.

Malang, April 2018

The Author



DEDICATION LETTER

In the name of Allah SWT who always blessing me and keeping me in good condition. I present This undergraduate thesis, to my beloved family:

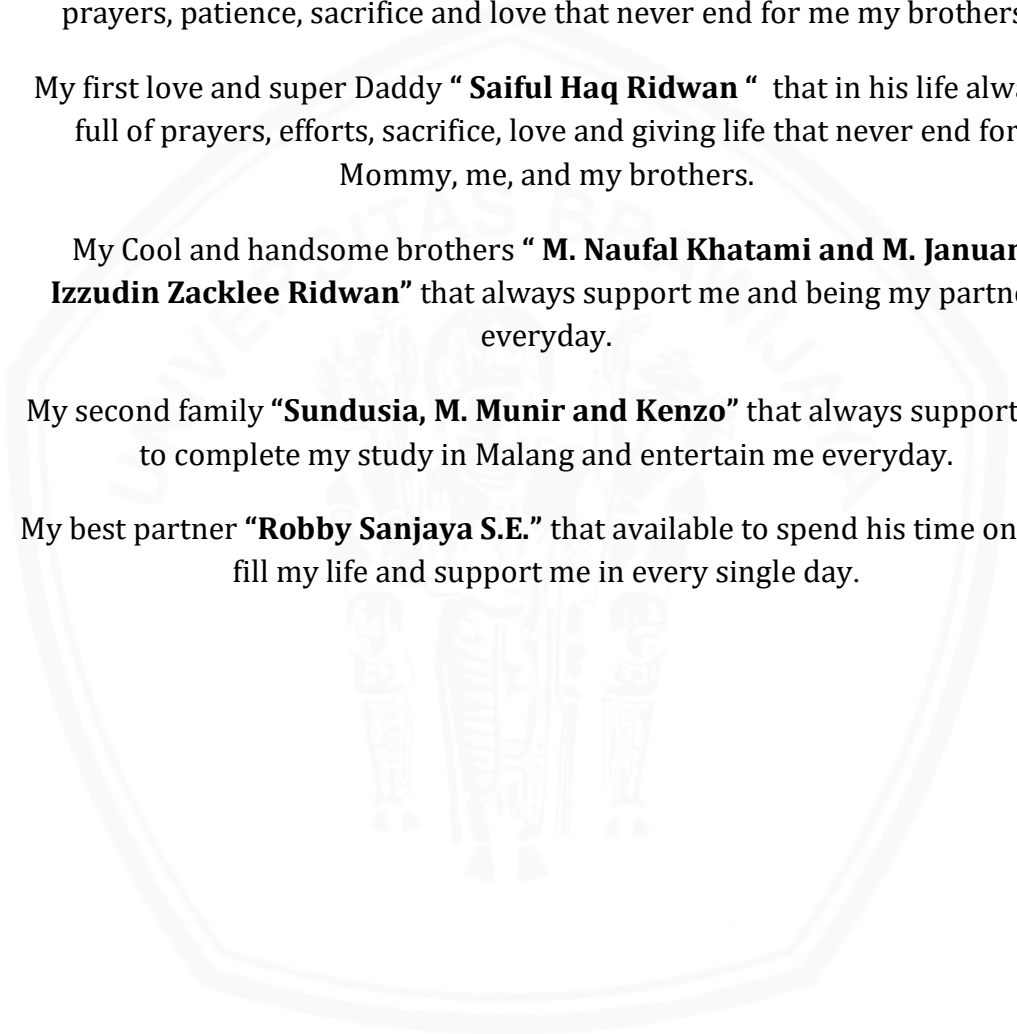
My lovely and wonderful Mommy “ **Suhartatik** “ that in her life always full of prayers, patience, sacrifice and love that never end for me my brothers.

My first love and super Daddy “ **Saiful Haq Ridwan** “ that in his life always full of prayers, efforts, sacrifice, love and giving life that never end for Mommy, me, and my brothers.

My Cool and handsome brothers “ **M. Naufal Khatami and M. Januar Izzudin Zacklee Ridwan**” that always support me and being my partner everyday.

My second family “**Sundusia, M. Munir and Kenzo**” that always support me to complete my study in Malang and entertain me everyday.

My best partner “**Robby Sanjaya S.E.**” that available to spend his time on me, fill my life and support me in every single day.



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Malang, March 14th, 2018
Student,



Rana Nur Rodiah
NIM 145030100111064

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It has been maintained in front of the panel examiners of undergraduate thesis Faculty of Administrative Science, University of Brawijaya, at:

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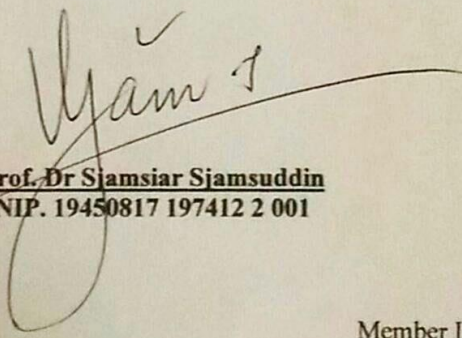
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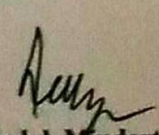
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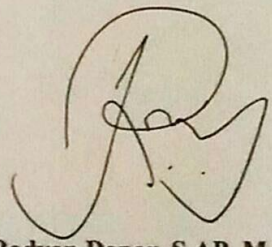
Prof. Dr. Sjamsiar Sjamsuddin
NIP. 19450817 197412 2 001

Member I



Dr. Lely Indah Mindarti, M.Si
NIP. 19690524 200210 2 002

Member II



Oscar Radian Danar, S.AP, M.AP, Ph.D
NIP. 20110787 0516 1 001

TANDA PERSETUJUAN SKRIPSI

Judul : Department of Local Tax Service Performance in Increasing Local Own
Revenue in Malang (Study on Parking Tax Collection in Shopping Center
Malang)

Disusun Oleh : Rana Nur Rodiah

NIM : 145030100111064

Fakultas : Ilmu Administrasi

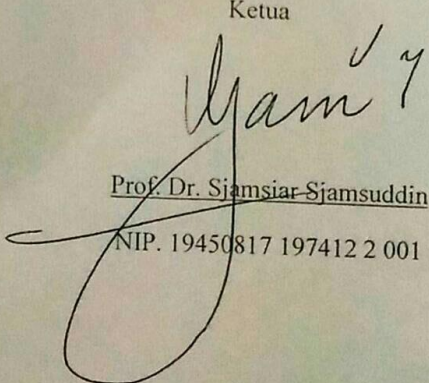
Program Studi : Ilmu Administrasi Publik

Konsentrasi/Minat: -

Malang, 5 Maret 2018

Komisi Pembimbing

Ketua


Prof. Dr. Sjamsiar Sjamsuddin

NIP. 19450817 197412 2 001

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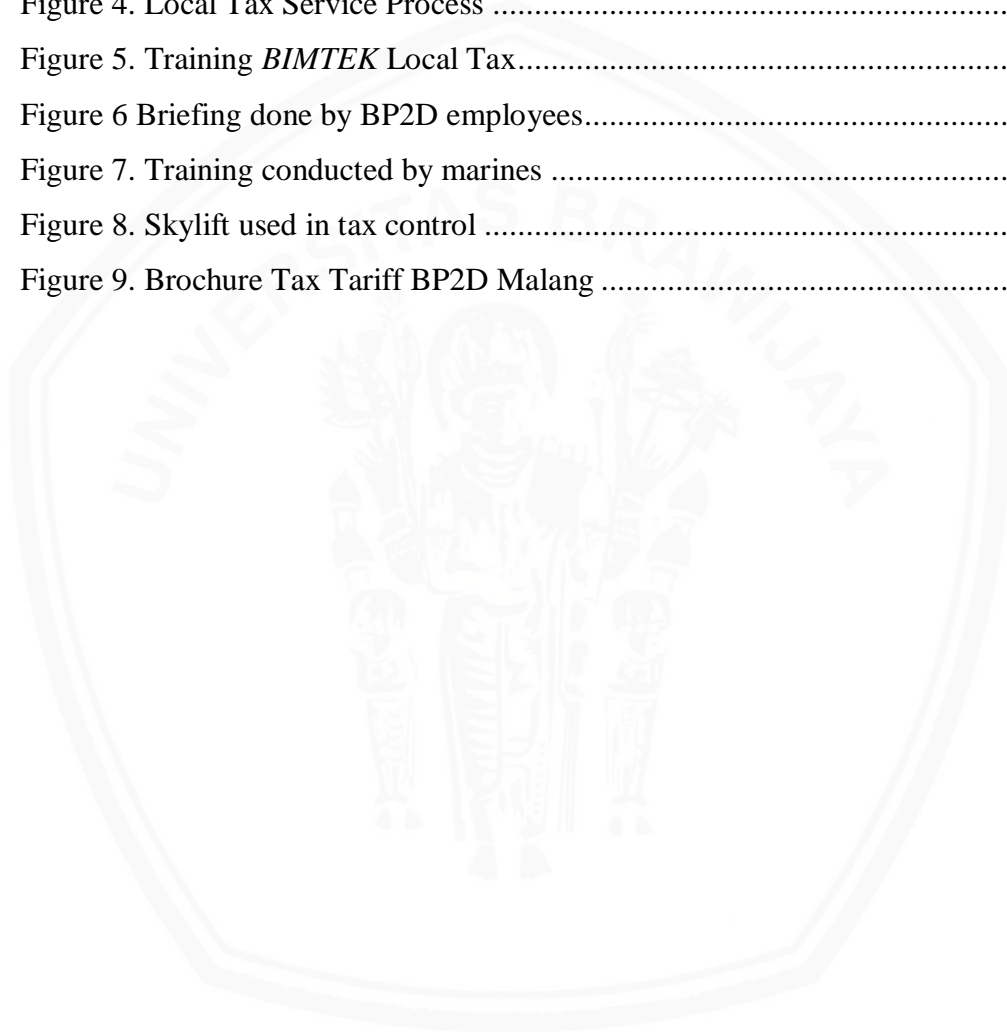


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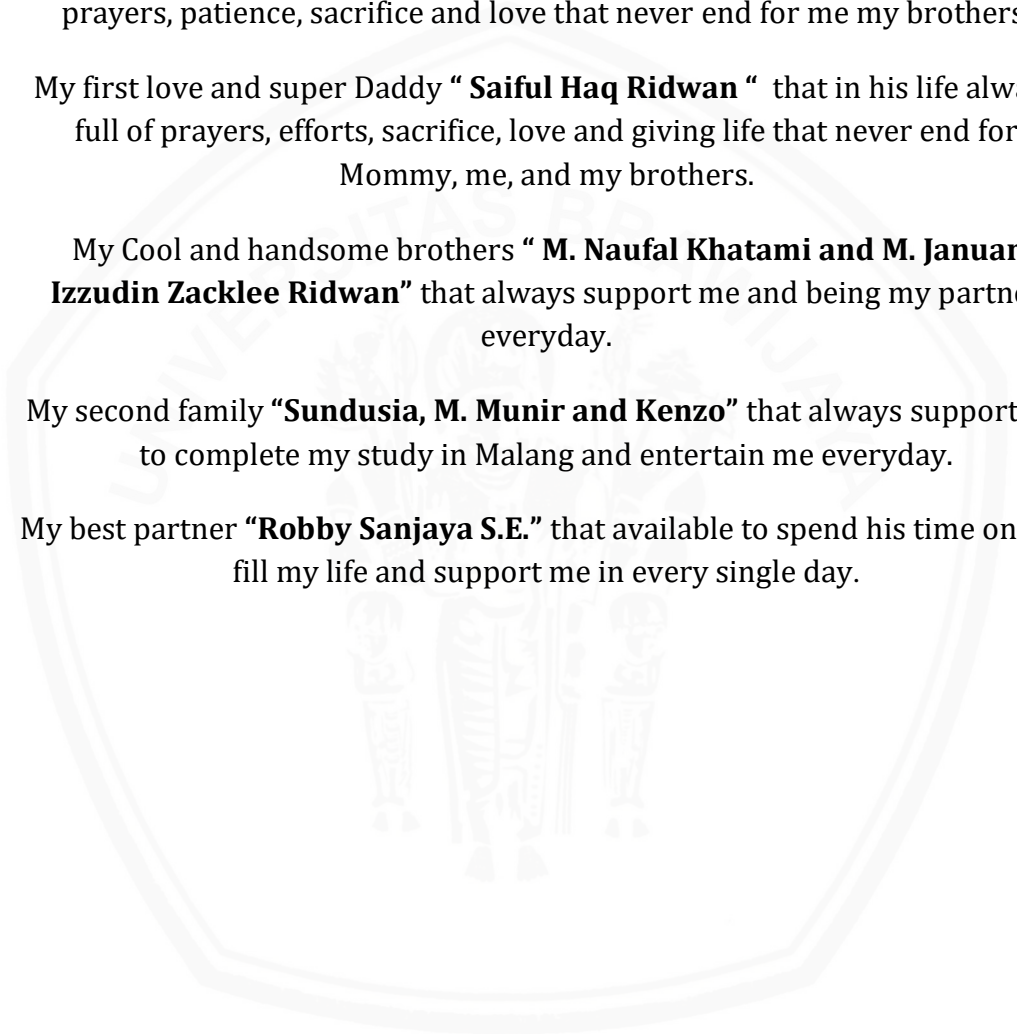
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CHAPTER I

INTRODUCTION

A. Background

There are several change in the governmental order in the current reform era, which is one of the effects of globalization. One of them is the paradigm shift of centralized government system to decentralized government system. According to Suprpto in Ashfahani (2016:1), decentralization is "the transfer of authority from the central (national) government to local or local governments and local authorities to regulate and manage their interests in accordance with their aspirations and decisions". The purpose of the implementation of decentralization is to be able to change the social life order and improve the social welfare in accordance with the development of the globalization era. Conceptually, decentralization consists of: 1) Fiscal Decentralization; 2) Political Decentralization; 3) Administrative Decentralization; and 4) Economic Decentralization. Fiscal decentralization according to Saragih (in Haryati, 2006:25) is a process of distributing budgets from higher levels of government to lower government, to support the functions or duties of government and public services in accordance with the number of delegated government authorities.

Local finances based on the explanation of article 1, paragraph 5 of Government Regulation Number 58 of 2005 on Local Financial Management are all local rights and obligations in the framework of the implementation local

government which can be assessed by money including all forms of wealth related to the rights and duties of the area. Local financial performance can be considered successful if the region has been able to finance the needs of its own region and not much dependent on assistance from the central government. According to Mahmudi (2005:25) performance is the level of achievement an activity / program / policy in realizing the goals, goals or targets of the organization contained in the strategic planning of the organization. Potential sources owned by the region will determine the financial performance of the area. So that every region trying to optimize all economic resources contained in the area. Local financial resources comprise of Local Own Revenue (*PAD*); Balancing Funds; Local Loans; and Other Legitimate Local Revenue.

The largest source of local finance should come from Local Own Revenue. This statement is reinforced by Halim and Theresia (2007: 262) which states, "dependence on central assistance should be as minimal as possible, therefore Local Own Revenue should be the largest financial source supported by central and local fiscal policy." Local Own Revenue according to Hirawan (2007) is local revenue from various local government efforts to collect funds for the purposes of the region concerned in funding its routine activities and its builders, comprising local taxes, local retributions, the share of local owned business profits, and other original revenues legitimate areas. Local Own Revenue as a source of local revenue itself needs to be improved so that it can bear some of the burden required for the administration and development activities that increase every year

so that the independence of local autonomy is broad, real, and responsible can be implemented.

Local taxes as one of the sources of Local Own Revenue are expected to contribute greatly to the region itself so as to facilitate the implementation of government and local development. Therefore, local taxes must be managed professionally and transparently in order to optimize their potential revenue and increase their contribution to local income. The tax according to Adriani in (Waluyo and Ilyas, 2002:4) is the dues to the (indestructible) State payable by those obliged to pay them according to the regulations, with no immediate re-attainment and the purpose of which is to finance expenditures - public expenditures relate to the task of the state to administer the government. In the local context, the tax is levied by the local government, either on the provincial government or city or district government. Based on Act no. 28 of 2009 on Local Tax and Local Retribution article 2 explained that the types of local tax revenue are divided into two, namely the Provincial tax and the District / City tax. The Provincial Taxes consist of Motor Vehicle Taxes, Motor Vehicles Fuel, Surface Water, Cigarettes and Transfer of Motor Vehicle Title Fee. District / Municipal Taxes consist of Hotel, Restaurant, Entertainment, Advertising, Road Lighting, Parking, Groundwater, Swallow Nest, Ground, and Acquisition of Land and Building Rights. In order to improve services to the community and local independence, it is necessary to expand the object of local taxes and levies and the provision of expressions in the determination of tariffs. Thus, local taxation and local retribution policies are based on the principles of democracy, equity and

justice, community participation, and accountability with regard to local potential (Domai, 2010:181).

Indonesia is a developing country which is in the development stage in all fields, whether in the political, economic, social, cultural, or in the field of defense and security. In its development period, Indonesian people need the support of the Government, both the Central Government and Local Government and the whole community, either directly or indirectly. In accordance with the mandate of the 1945 Constitution, the Central Government has the main duty to improve the welfare of its people by regulating the life of the state and nation as a whole, including regulating the implementation of local government through local autonomy, regulating international relations and also regulating the state's sustainability, state defense, and law enforcement. Considering that not all government affairs can be handled by the central government to become the household affairs, therefore some central government affairs are handed over to the local government, which is called local autonomy.

Local autonomy according to Bahar (2009:8) is the authority of the affairs of the autonomous local household attached to the local government covering the head of the region along with other autonomous regions as the local executive agency, while the DPRD as well as the local legislative agency as well as local legislative agency and government partners in local government administration. local autonomy provides widespread, tangible and proportionally shared freedom to the regions proportionately realized through the regulation, sharing and utilization of equitable national resources and the balance of central and local

finances. Implementation of local autonomy is regulated in Act Number 22 of 1999 as amended by Act Number 23 of 2014 on Local Government becomes a milestone for the region to implement local autonomy.

Local autonomy encourages decentralization of government from the center to the regions. Decentralization is in principle a transfer of authority from the central government to the level of autonomous local government. Nevertheless, not all government authorities are left to the regions because for strategic authorities such as defense, security or foreign relations are still the authority of the central government. Submission of this authority causes the region to have greater authority in organizing and managing its own household.

Act Number 22 of 1999 as amended by Act Number 23 of 2014 requires that each region should be responsible for its revenue and expenditures. Regions have the authority to determine local taxes and user charges. The enactment of the law makes the regions more able to manage their resources in accordance with the potentials and interests of the region itself, thus the local government can explore the sources of financing through intensification through the optimal utilization of local revenue sources or through the extensification of objects local income is by looking for new sources of income, which in its implementation must still pay attention to the prevailing rules and regulations that is the law.

Malang as the second largest city in East Java that continues to grow and develop, the government of Malang continues to improve services to communities in the region which is realized in various development programs implemented both in the short and long term. This is done in order to achieve one main goal is

to improve the welfare of the community, especially those located in the area of Malang. Local taxes are seen as an alternative source of financing for local finance to accelerate local economic growth and improve services to the community in Malang. It can be seen from table 1 below that the local tax revenue of Malang has increased from year to year, this is not apart from the efforts of the government of Malang is always trying to explore the potential areas of Malang.

Table 1. Target and Realization Local Tax Malang 2012-2016

Year	Target	Realization
2012	125.828.676.756	159.124.119.793
2013	210.287.899.778	238.499.748.162
2014	260.000.000.000	278.885.189.549
2015	272.000.000.000	316.682.891.170
2016	301.000.000.000	374.641.673.420

Source :BP2D Malang, 2017

The tax revenue of Malang is obtained through Hotel, Restaurant, Parking, Entertainment, Advertisement, ABT (Underground) tax, BPHTB (Land and Building Tax), PBB (Land and Building Tax) and PPJ (Road Lighting Tax). Based on the type of taxes owned by the Malang, Parking Tax is assessed to have a positive outlook that can be developed and the role can increase the PAD. Malang is a destination city for shopping that is visited by many visitors from within the city or outside the city to buy their needs in the Shopping Center. In the city of Malang there are many shopping centers are extensive and complete, can be seen from the number of vehicles parked by visitors in the area of the Shopping Center. With the large number of visitors in the Shopping Center, support facilities such as parking areas that have been provided is also always full and crowded. So with the large parking area and the enactment of parking rates that

rise in tariffs for every hour or so-called postal rates, tax revenues from parking rates can be recommended to the region to support things that can reduce tariffs on central government assistance. The donation provided by the parking tax to Malang is done through tax collection which is regulated in Malang Local Regulation Number 16 of 2010 on Local Taxes.

Table 2. Realization Local Tax of Malang 2016

No.	Kinds of Tax	Target	Realization	%
1.	Hotel Tax	Rp. 27,68 Billion	Rp. 37,79Billion	136,54
2.	Restaurant Tax	Rp. 34,97 Billion	Rp. 47,49Billion	135,80
3.	Entertainment Tax	Rp. 5,54 Billion	Rp. 6,61Billion	119,25
4.	Advertisement tax	Rp. 18,67 Billion	Rp. 22,10Billion	118,34
5.	Street Lighting Tax	Rp. 44,60 Billion	Rp. 47,56 Billion	106,63
6.	Parking Tax	Rp. 3,50Billion	Rp. 4,88Billion	139,40
7.	Groundwater Tax	Rp. 600 Million	Rp. 815Million	135,98
8.	BPHTB Tax	Rp. 105,5 Billion	Rp. 115,4Billion	107,70
9.	Land and Building (PBB) Tax	Rp. 45,86 Billion	Rp. 50,79 Billion	110,75
Local Tax Revenue		Rp. 286,92Billion	Rp. 333,47Billion	116,22

Source :BP2D Malang, 2017

The target and realization of local taxes have a large amount of income to support the increase in PAD. Realization of Parking Tax is one of the promising element in contributing to PAD. The collection of parking tax in Malang is implemented by Department of Local Tax Service (BP2D) which is one of the public sector organization that has duty to carry out the main task of policy of local government affairs in the field of local taxation. In order for the local tax collection to run effectively required good performance from BP2D Malang. In terms of carrying out parking taxes BP2D performance is quite effective because the realization of parking taxes in 2016 has exceeded the predetermined target as the data contained in the table above. However, in fact the realization of the

parking tax can still be further improved because there are still some Shopping Centers that still use the system of parking rates "Flat" or the same throughout the day, there are even some shopping centers that do not charge parking tariff for their visitors. Based on data from BPS, the number of shopping centers in Malang reached 14 shopping centers. But that have registered as taxpayers only 11 shopping centers.

Tabel 3. Total of Taxpayers on Shopping Centers Malang

No.	Name of Shopping Centers	Total of Taxpayers
1.	Sarinah Plaza	1
2.	Plaza Araya	1
3.	Ramayana	1
4.	Mitra 1	1
5.	Gajah Mada Plaza	1
6.	Dieng Plaza	1
7.	Malang City Point	1
8.	Mall Dinoyo City	1
9.	Malang Plaza	1
10	Mall Olympics Garden	1
11	Malang town Square	1
	Total	11

Source : BP2D Malang, 2018

The above statement it can be concluded that some shopping centers in Malang are only apply the collection of flat parking tariff without any time limit given. So that visitors keep the vehicle parked in the shopping center even though they are not shopping there with the reason that parking in the shopping center area is safer and not exposed to heat and rain. In addition, the lack of supervision in the tax collection process using self-calculating tax mechanism or self assessment system allows taxpayers to cheat, manipulate data in tax calculations and there are

still 3 shopping centers that have not been registered as taxpayers and do not apply the collection of parking tariff to their visitors.

In measuring Department of Local Tax Service financial performance has been emphasized on the success in achieving the target of tax revenue and local retribution which is a component of PAD. In 2016 Department of Local Tax Service Performance can be said to be effective because the realization of Local Own Revenue Malang has reached beyond the target. The following is the realization of revenue data of Malang during the year 2016:

Table 4. Realization of Revenue Malang Year 2016

No	Description	Astimation After Change	Realization	More / (Less)
1	Revenue	1.735.398.662.849	1.711.185.350.080	(24.213.312.769)
2	PAD	387.431.571.214	447.332.655.830	59.901.084.615
3	Balance Funds	1.117.038.663.500	1.069.366.446.980	(111.596.929.795)
4	Other Legal Revenue	230.928.428.135	194.486.247.270	(36.442.180.865)

Source: BPS Malang, 2017

It can be seen that the realization of PAD Malang has exceeded the target set in 2016. However, Malang still depends much on the balance funds provided by the central government. The low contribution of PAD to total local revenues indicates that the dependence of local governments on assistance from the central government is still high.

In connection with the effort to dig and manage the local revenue sources and increasing of Local Own Revenue can not be separated from the role of BP2D. BP2D is expected to be able to explore the existing financial potential to increase Local Own Revenue in addition to optimizing PAD sources is necessary

to improve the financial capacity of the region. Efforts undertaken BP2D to increase local revenue such as data collection on taxpayers and monitoring the taxpayer. However, the result of the target and realization of Local Own Revenue of Malang, especially the results of local taxes including Parking Tax realization is still under the Entertainment Tax and Advertisement Tax. Therefore, the author want to examine how the performance of Department Local Tax Service to increase the Local Own Revenue through Parking Tax. Based on this background, the author interest to take the title of " **Department of Local Tax Service Performance in Increasing Local Own Revenue in Malang (Study on Parking Tax Collection on Shopping Center Malang).**"

B. Problem Formulations

Based on the background that has been described above, then the formulated problems of issues raised in this study are:

1. How is Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang?
2. What are supporting and inhibiting factors that influence Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang?

C. Research Objectives

Based on the problem formulation above, the objectives of the study are:

1. To know, analyze, and describe Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang.
2. To know, analyze and describe the supporting and inhibiting factors that influence Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang.

D. Research Contributions

The result of this study is expected to give the valuable contributions to several parties :

1. Theoretical Aspects

- a. For Authors

Knowing and analyzing Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang.

- b. For others

As a comparative information material for other past researchers and as a reference for future research that discusses Department of Local Tax Service performance in increasing the Local Own Revenue through Parking tax in the shopping center of Malang.

2. Practical aspects

Suggestions and conclusions taken can be used as consideration and input for Department of Local Tax Service in carrying out its duties and obligations, especially with regard to the Department of Local Tax Service performance in increasing the Local Own Revenue through Parking tax in shopping center of Malang.

E. Systematic of Writing

Systematic of study in the writing of the thesis is intended to facilitate the discussion of the author's thinking flow, as for the systematic as follows:

CHAPTER I : INTRODUCTION

In this chapter consists of backgrounds that describe the reasons for writing Department of Local Tax Service performance in increasing the Local Own Revenue in Malang, the formulation of the problem here explains what problems will the author thoroughly in accordance with the title of the thesis, the purpose of the study explained the goal to be achieved the author to this research, the research contributions that this research can be used for anyone and anything, and the systematic research that shows what parts of the study are.

CHAPTER II : LITERATURE REVIEW

Describe basic theories and supporting theories relating to Department of Local Tax Service performance in increasing the Local Own Revenue in Malang. Among them are theories on local governance, local finance, tax and performance theory.

CHAPTER III : RESEARCH METHODS

Discussing the method used in this research is by using descriptive research with qualitative approach.

CHAPTER IV : RESULT AND DISCUSSION OF RESEARCH

In this chapter we describe the Overview which includes the focus data of the discussion obtained during the study. The presentation of general data which is a description on the research location that is prepared according to the need of assessment and presentation of focus data that is adjusted to the focus of research then discuss it.

CHAPTER V : CONCLUSION AND SUGGESTION

This chapter presents the conclusions of the overall discussion, accompanied by the necessary suggestions in relation to the conclusions of the research discussions that have been conducted.

CHAPTER II

THEORITICAL GFRAMEWORK

A. Public Administration

The term of Administration is often interpreted as a clerical activity only. This condition happens as a result of Dutch colonialism in Indonesia, because at that time the people of Indonesia only given the task in the clerical activities. So that it is impacted on the interpreted of administrative term which until now still defined limited to clerical work. Whereas the term administration can be interpreted more broadly, such as the opinion of Leonard D. Putih in Sjamsuddin (2010: 9) stating that administration is a common process in every action of groups, both government and private, civil and military either in large or small sizes. Based on these opinions the term administration can be understood as any form of activity from either government or private groups to achieve its goals.

Walters explains the word administration in more detail in Sjamsuddin (2010: 10) that the administration is the process of planning, organizing, managing, appraising, and supervising a company. Through the understanding conveyed by Walters can be understood if the administrative activities are not limited to clerical work. More than that administration can be defined as a form of cooperation of people in a group to realize common goals through the process of planning, organizing, management, assessment, and supervision.

After gaining a shared understanding of the administration, then it will be explained about public administration. If the term of administration defined as a corporation process of people in a group, then the public administration can be interpreted as the corporation of people in government body to achieved share welfare. It is in line with the opinion who conveyed by Pasolong (2013: 8) that public administration is a form of cooperation undertaken by a group of people or institutions in carrying out government duties in meeting the needs of the public efficiently and effectively.

Public administration is not the same as the management implemented by the private sector. Public administration has specificity in its implementation. As expressed by Thoha (2008: 36) about the exclusivity of public administration in its implementation as follows:

1. Public administration is a unavoidable activity
2. Public administration requires compliance
3. Public administration has priority
4. Public administration has an unlimited size (on land, at sea, and in the air)
5. Public administration is led by political officials
6. The implementation of public administration is very difficult to measure
7. Much expectation toward public administration

Based on the explanation above, it can be concluded that the public administration is a process to create prosperity through the cooperation of all elements of the state, whether government, private, or the community itself. In this case the public administration has the monopoly right to use its authority and power

on the citizens to comply with rules and regulations that have been established. One form of coercive power from public administration is manifested in the tax system.

The role of public administration in the tax system is very central. This is because the tax has become the mainstay of the government in collecting revenue. Public administration is said to be ideal in the context of taxes are realized when it is able to work effectively to meet fiscal needs, namely ensuring the funds that are right of the state is collected properly. And also can be conclude that public administration is the cooperation made by a group of people or institutions in meeting the needs of the public effectively and efficiently. By arguing some of the opinions of experts above it is clear that the role and performance of government institutions is never out of the scope of public administration. Based on these explanations, the theory of public administration is appropriate to used in this study.

B. Decentralization

1. Definition of Decentralization

Decentralization as a system used in the field of governance and the opposite of centralization. In the centralized system of government authority both at the central and regional levels are centralized in the hands of the central government. While in the decentralization system, the division of authority by the central government is delegated to the local government to be implemented.

In the book of Muluk (2007: 6), Roindinelli et al. reveals the types of decentralization: Deconcentration (delegation of administrative responsibilities or responsibilities to lower levels within ministries or government agencies), delegation

(responsibility for certain functions to organizations outside the regular bureaucratic structure and only controlled by the central government direct), devolution (creation and strengthening of subnational government units with activities substantially outside the control of the central government), and privatization (giving all responsibility for functions to non-governmental organizations or private companies independent of government).

According Kaho (2007: 6), defines decentralization in a broad sense as the central government still has the right to megawasi autonomous regions that are the areas entitled and obliged to regulate and manage their own households. According to Rondenelli in Domai (2011: 15), decentralization is the transfer or delivery of planning, making decisions or management authority of the central government and its representatives to field organizations, lower government units, public legal entities, regional and regional rulers, functional experts, or to non-governmental organizations. According to Suprpto (2006: 42), decentralization is the transfer of authority from the central (national) government to the local or regional government and the regional authority to regulate and manage its interests in accordance with its aspirations and decisions known as regional autonomy. From some of the above understanding can be concluded that decentralization is the government affairs which initially included the authority and responsibility of the central government which partly submitted to the agency or local government agencies, so that authority and responsibility belong to the local government.

2. The Aspects of Decentralization

The reason for the implementation of decentralization according to The Liang

Gie (in Kaho, 2007: 8) will include the following aspects:

- a. The political aspect as a game of power, decentralization is intended to prevent the accumulation of power on the one hand that can ultimately lead to tyranny.
- b. The political aspect of decentralization is regarded as a democratizing action, to attract the people to participate in government and to train themselves in the use of democratic rights.
- c. The organizational aspect of governance, the reason for holding local government (decentralization) is simply to achieve an efficient government. What is considered more important to be administered by the local government is handed over to the local administration. Things that are more precisely at the hands of the center remain maintained by the central government.
- d. Cultural aspects, decentralization needs to be held so that attention can be fully devoted to the specificity of a region, such as geography, population, economic activity, cultural character or historical background.
- e. Aspects of economic development interest, decentralization is needed because local governments can more and directly assist the development.

3. The Reasons and Objectives of Decentralization

Rondenelli in Domai (2011: 17-18) points out several powerful reasons made

for decentralization, including:

- a. Facilitate articulation and implementation of development policies designed to accomplish development fairly through business. Enhance regional and sub-regional unit capacities and prevent political leaders and local officials from raising issues and priorities for development, on their own;
- b. Reduce excessive restrictions (attachments) and bureaucratic procedures;
- c. Increase national unity and government political power by providing a mechanism for the community to address their concerns and to discuss their demands with appropriate government representatives;
- d. Generate more effective local planning and implementation coordination. The provinces, districts and sub-districts set a geographical basis for harmonizing and combining development activities undertaken by various governmental organizations;

- e. As a tool to improve the efficiency of central government representation by freeing high-level administrators from light duties that can be done more effectively by local employees;
- f. Often considered a prerequisite for increasing the participation of the population in the development planning process. Widespread participation requires equipment and distribution points where people can express their needs and demands at various levels. The existence of a direct mechanism for the place of participating peoples can also increase the accountability of government representatives at the regional and sub-regional levels;
- g. Facilitate the entry of government facilities and programs by reducing oversight of the local elite against development activities, by periodically monitoring and evaluating programs by the next generation;
- h. Improving the efficiency of basic public services by reducing costs for services, provinces, identifying problems in public reporting systems, and generating a general response to the basic framework of government and social welfare facilities;
- i. Enhance the flexibility of central representatives, field officers and local leaders with special problems within a region or region, try to implement programs in appropriate areas, test administrative innovations within a region and encourage local officials and political leaders to take the initiative.

4. The Advantages and Disadvantages of Decentralization

The advantages gained by the decentralization system in Kaho (2007: 14-15) are:

- a. Reduce the accumulation of work at the Central Government;
- b. In the face of urgent problems requiring immediate action, the regions do not have to wait for further instructions from the central government;
- c. Can reduce bureaucracy in a bad sense because every decision can be implemented immediately;
- d. In a decentralized system, differentiation and specialization (specialization) can be made useful for a particular interest. Particularly the decentralization of territories can more easily adapt to the needs / needs and special circumstances of the region;
- e. With the decentralization of territories, autonomous regions can be a kind of laboratory in matters relating to government, which can benefit the entire State. The things that turn out to be good, can be set in all the territory of the State, while the unfavorable, can be restricted to a particular area only and therefore can be more easily eliminated;
- f. Reduce the likelihood of arbitrariness of the central government;

- g. In terms of psychology, decentralization can be more satisfactory for the regions because it is more direct.

In addition to the above advantages, decentralization also contains disadvantages (Kaho, 2007: 15-16)are:

- a. Due to the size of the organs of government, the structure of government is increasingly complex which makes coordination difficult;
- b. Balance and harmony between different interests and regions can be more easily disrupted;
- c. Especially with regard to territorial decentralization, it can encourage the emergence of so-called regionalism or provincialism;
- d. Decisions take a long time, because they require lengthy negotiations;
- e. In the implementation of decentralization, more and more costs are expended and it is difficult to achieve uniformity and simplicity.

Decentralization needs to be done because there is no government from a large country capable of effectively making public policy in all sectors or being able to implement the policy efficiently throughout the region. With decentralization, it is expected that central government burden will be reduced. Decentralization is also expected to speed up service to the community. As according to Mardiasmo (2004: 6) this decentralization will produce two tangible benefits, namely:

- a. Encourage increased participation, initiative and creativity of the community in development, and encourage equitable distribution of development (justice) outcomes throughout the region by utilizing the resources and potentials available in each region.
- b. Improving the allocation of productive resources through shifting the role of public decision making to the lowest level of government with the most complete information.

C. Fiscal Decentralization

1. The Definition of Fiscal Decentralization

The degree of fiscal decentralization is the level of regional independence to finance the needs of their own regions without relying on the central government. In connection with fiscal decentralization, Kadjatmiko (2005: 1) in Halim and Theresia (2007: 193-194) argues that:

Decentralization implies that to support the implementation of regional autonomy is broad, real, and accountable to the region. Thus the region is given the authority to finance its own finances and is supported with financial considerations between the central and regional levels. The main objective of implementing fiscal decentralization is essentially to improve the common prosperity and prosperity of all Indonesian people through the exercise of broad, real and responsible authorities within the framework of the Unitary State of the Republic of Indonesia.

While the fiscal decentralization by Saragih (in Haryati, 2006: 25) is:

"Fiscal decentralization can be interpreted as a process of distributing budgets from higher levels of government to lower government, to support the functions or tasks of government and public services in accordance with the number of delegated government authorities".

From some of the above understanding can be concluded that one of the main goals of the implementation of decentralization is to harmonize government relations with the community, so the needs of the community can be met by the government. Thus it is expected that various policies undertaken by the government can meet the needs of the community through the implementation of development (economy) to achieve prosperity as the ultimate goal.

The fiscal decentralization policy in Indonesia according to Kadjatmiko (2005: 2) in Halim and Theresia (2007: 193-194), is basically aimed at:

- a. Continuity of fiscal policy (Fiscal Sustainability) in the context of macroeconomic policy.
- b. Correct vertical imbalance, ie to minimize inequality that occurs between the central government and local governments.
- c. Correct horizontal imbalance, ie to minimize the inequality that occurs between regions in their financial capabilities are still very varied.
- d. Improve accountability, effectiveness, and efficiency in order to improve local government performance.
- e. Improve the quality of service to the community.
- f. The existence of community participation in decision making in the public sector (democratic)

Implementation of local government functions will be implemented optimally if the administration of government affairs followed by the provision of adequate revenue sources to the region, with reference to the Law Number 33 of 2004 on Fiscal Balance between Central Government and Local Government, where the amount is adjusted and aligned with the division of authority between the Government and the Region. All financial resources inherent in any government affairs assigned to the region become a source of local finance.

2. The Indicators of Fiscal Decentralization

According Wibowo (2006: 16) indicators of fiscal decentralization can be seen from two sides namely :

a. Local Revenue

The main characteristic that shows an autonomous region capable of berotonomi lies in the financial capacity of the region. This means that autonomous regions must have the authority and ability to extract their own financial resources, while the dependence on central government assistance should be minimal, so that PAD should be part of the largest financial resources supported by central and

regional finance policy as a fundamental prerequisite of the state government system. The function of the revenue of this area is to know the amount of budget available to cover the needs of regional spending, that is by paying attention to the amount of total revenue within a budget year received by the region, then compared with the estimated financing needs in the year concerned, so it will be seen whether the available budget can cover the regional budget or not. If it turns out the planned spending requirement is greater than the regional revenue plan, then the region should try to cover the deficit. In other words, look at the ability of local governments to explore potential sources of income and the costs incurred to increase the income.

b. Local Expenditure

Government spending is the consumption of government goods and services and financing by the government for the purposes of government administration and development activities. In more detail government expenditures are used to pay the salaries of government employees, finance the education and public health systems, finance shopping for the armed forces and finance various types of infrastructure in the development process. Local government expenditure policies and local revenue revenues are determined in accordance with the characteristics of the area and adjust for changes in the economy, and at the same time these policies may affect the rate and net of development in the area. Hence the assessment of development policy should consider the interrelationship between the policy and the rate of economic growth. All government spending on goods and services purchases is part of local revenue. Investments made by the government are included in the expenditure not as

an investment. For example public investment for highways, hospitals, schools and others.

The description above it can be concluded that the regional expenditure is all regional cash expenditure in the period of the relevant budget year which includes routine expenditure (operational), development spending (capital expenditure) and unexpected expenditure.

D. The Concept Of Performance

1. The Definition of Performance

Definition Performance (performance) is a description of the level of achievement of the implementation of an activity / program / policy in realizing the goals, objectives, mission, and vision, the organization contained in strategic planning organization (Mahmudi, 2005: 25). Performance terms are often used to refer to individual achievement or success. Performance can be known only if the individual or group of individuals has predetermined success criteria. This success criterion of goals or targets to be achieved. Without any goals or targets, the performance of a person or organization can not be known because there is no benchmark.

While the performance assessment by Mulyadi in Ashafani (2016: 22) is the determination of the period of operational effectiveness of an organization, the organization and its employees based on the targets, standards and criteria set previously. Since the organization is basically run by humans, performance appraisal is actually an assessment of human behavior in performing the role they play in organizations.

In essence in performance is a tool to assess the success of the organization. In the context of public organization, the organization's success will be used to gain legitimacy and public support. The public will assess the success of public sector organizations through the organization's ability to provide relatively cheap and quality public services. The service will be the bottom line in public sector organizations. Some developed countries use different strategies and approaches to provide the best services for their citizens. (Mahmudi, 2005: 2)

While the measurement of performance (performance measurement) is a process of progress assessment of work against objectives and targets that have been predetermined, including information on: the efficient use of resources in producing goods and services; quality of goods and services (how well goods and services are delivered to customers and to how far customers are satisfied); activity outcomes are compared with the intended purpose; and the effectiveness of action in achieving goals (Robertson, 2002: 45). Performance measurements include the activity of establishing a set of measures or performance indicators that provide information so as to enable the public sector work unit to monitor its performance in generating output and outcomes to the community. Performance measurement is helpful to assist the work unit manager in monitoring and improving performance and focusing on organizational goals in order to meet public accountability demands.

2. The Indicators of Public Sector Performance

Performance indicators are very important for organizations, whether public organizations or business organizations because performance can not be measured

without performance indicators. An organization needs performance indicators to inform managers about the condition of the organization. These indicators serve to measure the performance of the organization that will be used by management to take certain actions. Such performance indicators should be valid and not misleading, since information resulting from invalid performance indicators will result in wrong management decisions and actions (Mahmudi, 2007: 147).

The definition of performance indicators is a quantitative or qualitative measure that describes the level of achievement of a predetermined goal or goal. So it is clear that performance indicators are the criteria used to assess the success of the achievement of organizational goals embodied in specific measures. Indicators have an important role as a tool of policy management from the stage of policy formation to implementation and evaluation. An indicator has a role in providing an inexpensive, quick and accountable approach for both managers of activities, decision makers and others in making intervention decisions. Indicators can assist in evaluating existing policies, programs and activities in achieving the stated objectives. In addition, an indicator is also useful and plays an important role in various stages of development ie situation assessment, facilitating decision-making among various alternative strategies, identifying operational issues, recommending modifications and providing feedback for new policy inputs, programs and activities to be drafted (LAN and BPKP, 2000).

According to Pramono (2010) organizational performance indicators have roles are:

- a. Help improve management practices.
- b. Improve management accountability by providing explicit responsibility and providing evidence for success or failure.
- c. Provide a basis for policy planning and control.
- d. Provide essential information to management to enable management to perform performance control at all levels of the organization.
- e. Provide a basis for compensation to staff.

So with a clear indicator is expected to be able to create consensus for both internal and external parties to avoid misinterpretation during the implementation of the program and in assessing the success of a government agency.

In the development of performance indicators, attention should be paid to various aspects so that the resulting performance indicators do not provide a distorted performance picture. An effective and undistorted performance measurement system is obtained through the design of a good performance indicator. Some of the conditions of good performance indicators according to Mahmudi (2007: 152), are:

- a. Consistency
- b. Comparable
- c. Clear
- d. Can be controlled
- e. Contingencies
- f. Comprehensive
- g. Focus
- h. Relevant
- i. Realistic

Some of the requirements of the above performance indicators are ideal indicator characteristics. However, in practice it is very difficult to meet all these requirements appropriately. This case is very likely to arise trade off which characteristics which require priority. If this situation occurs, then management better

focus on the requirements that can be met, then gradually and continuously improve the indicators that do not meet the ideal characteristics (Mahmudi, 2007: 152).

Performance indicators are sources of information for various decision maker groups in public organizations. In relation to measuring the performance of local governments or public organizations should include financial and non-financial performance. This is related to the objectives of local government organizations as described above. Types of local government performance indicators (Mahsun, 2006: 77) include:

- a. Input indicator (input) is everything needed for the implementation of activities can run to produce output. This indicator measures the amount of human resources, equipment, materials, and other inputs used to carry out activities. By reviewing the distribution of resources, an agency can analyze whether its own power allocations are in line with the strategic plan being implemented. This benchmark can be used for benchmarking with relevant institutions.
- b. Process indicator (process). In the process indicator, the organization formulates activities, both in terms of speed, accuracy, and accuracy of the implementation of the activity. The most dominant sign in the process is the level of efficiency and economical implementation of organizational activities. Efficiency means the magnitude of the results obtained by the utilization of a number of inputs. While the meaning of the economics is that an activity carried out cheaper than the standard cost or time that has been determined for it.
- c. Output indicator (output) is something that is expected to be directly achieved from an activity which can be physical or nonphysical. The output indicator or benchmark is used to measure the output resulting from an activity. By comparing outputs, agencies can analyze whether activities have been carried out in accordance with the plan. The output indicator is used as the basis for assessing the progress of an activity when a benchmark is associated with a well-defined and measurable objective of activity. Therefore, the output indicator should be in accordance with the environment and nature of agency activities. For example for research activities, performance indicators relate to patent output and scientific publications.

- d. Outcome indicator is anything that reflects the functioning of activity output on the medium term (direct effect). Measurement of the outcome indicator is often confused with the output indicator. Outcome indicators are more important than outputs. Although the product has been successfully achieved well, not necessarily the outcome of the activity has been achieved. Outcome describes a higher level of achievement or outcome that may include the interests of many parties. With outcome indicators, the organization will be able to know whether the results that have been obtained in the form of output can indeed be used properly and provide great benefits for the community.
- e. The benefit indicator is something related to the ultimate goal of the implementation of the activity. The benefit indicator illustrates the benefits derived from the outcome indicator. The benefits are only visible after several months, especially in the medium and long term. Benefit indicator shows what is expected to be completed and functioning optimally (exact location and time).
- f. The impact indicator is the effect of positive or negative rights.

Thus from the indicators above are expected to assess the performance of public sector organizations, especially in local government organizations in an effort to optimize performance in service delivery to the public.

3. The Affecting Factors of Public Sector Performance

Performance is a multidimensional construct that includes many factors that influence it. According to Mahmudi (2007: 20) Factors that affect performance are:

- a. Personal or individual factors, including: knowledge, skills (skill), ability, confidence, motivation, and commitment owned by each individual.
- b. Leadership factors include: quality in providing encouragement, encouragement, direction, and support provided by managers and team leaders.
- c. Team factors include: the quality of support and encouragement provided by teammates, trust in team members, cohesiveness and closeness of team members.
- d. System factors, including: work systems, work facilities or infrastructure provided by organizations, organizational processes, and performance culture within the organization.
- e. Contextual factors, including: pressure and changes in the external and internal environment.

Thus we can see that in traditional performance appraisal systems, performance is only related to personal factors, but in reality, performance is often caused by other factors outside of personal factors such as systems, situations, leadership, or teams.

4. The Measurement Model of Public Sector Performance

To see the financial capacity of regions in the era of regional autonomy, one can be measured by through the performance / ability of the public sector. According to Ulum (2004: 276), a public sector performance measurement system is a system aimed at helping public managers assess the achievement of a strategy through financial and non-financial measures. Performance measurement system can be used as an organizational control tool, because performance measurement is strengthened by setting reward and punishment system.

According to Henry Simamora in Ashafani (1995: 327), Measurement or performance appraisal is a process that measures employee performance. Performance measurement generally includes both qualitative and quantitative aspects of job performance. Performance appraisal is one of the fundamental functions of personnel, sometimes referred to as review, performance, employee performance appraisal, performance evaluation, and employee evaluation.

Meanwhile, according to Moeheriono, (2009: 61) Performance measurement (performance measurement) has a sense of a process of assessment of the progress of work against goals and objectives in the management of human resources to produce

goods and services, including information or efficiency and effectiveness of actions in achieving organizational goals.

Based on these definitions, it can be concluded some fundamental and most fundamental aspects of performance measurement, as follows:

- a. Implementing the organizational goals, objectives and strategies, by defining generally what the organization wants according to its goals, vision and mission.
- b. Formulate the performance indicators and performance measures, referring to performance appraisals indirectly, while performance indicators refer to the measurement of performance directly in the form of a major success (critical success factor) and key performance indicators (key performance indicators).
- c. Measuring the level of achievement of organizational goals and objectives, analyzing performance measurement results that can be implemented by comparing with the achievement level of organizational goals and objectives.
- d. Evaluate the performance by assessing organizational progress and quality decision making, giving a picture or outcome to the organization how big the success rate is and evaluating what steps the organization takes next.

The above theories can be concluded that the performance measurement is a process of assessment of the performance of employees in performing their performance both in the input (potential), process (implementation), and output (results).

In general, the purpose of performance measurement systems (Pramono, 2010) are:

- a. To communicate strategy better (top, down, and bottom-up)
- b. To measure financial and non-financial performance in a balanced way so that can be traced the development of strategy achievement.
- c. To accommodate the understanding of the interests of middle and lower level managers and motivate to achieve the goal congruence.
- d. As a tool for achieving satisfaction based on individual approach and rational collective ability.

According to Mahmudi (2015: 14), the purpose of measuring the performance of the public sector are:

- a. Knowing the level of achievement of organizational goals
Performance measurement in public sector organizations is used to determine the achievement of organizational goals. Performance appraisals serve as a milestone that indicates the level of achievement of goals and also indicates whether the organization is going in a direction or deviating from its intended purpose. If there is a deviation from the proper direction, the leader can quickly perform corrective and corrective actions.
- b. Provide means of learning employees
Performance measurement is a systematic and integrated approach to improve organizational performance in order to achieve the organization's strategic objectives and realize its vision and mission. Performance measurement system aims to improve the results of efforts made by employees by linking them to organizational goals. Performance measurement is a tool for employee learning about how they should act, and provides the basis for changes in behavior, attitudes, skills or knowledge work that employees must have to achieve results.
- c. Improve the performance of the next period
Performance measurement is performed as a learning tool for future performance improvement. Implementation of long-term performance measurement system aims to form a culture of achievement within the organization. A performance culture or achievement culture can be created if a performance measurement system is able to create an organizational atmosphere so that everyone in the organization is required to perform. To create an atmosphere that required continuous improvement of performance. Current performance should be better than previous performance, and future performance should be better than it is now.
- d. Provide systematic consideration in decision making of rewards and punishment
Performance measurement aims to provide a systematic basis for managers to provide rewards, such as salary increases, benefits, and promotion or punishment, such as job termination, promotional delays and strikes
- e. Motivate employees
Performance measurement aims to increase employee motivation. Given the performance measurements associated with compensation management, high performing employees will receive rewards. The reward provides employee motivation for higher performance with high performance expectation will get high compensation. It will only work if organizations use performance-based compensation management.
- f. Create public accountability

Performance measurement is one tool to encourage the creation of public accountability. Performance measurements show how much managerial performance is achieved, how well the organization's financial performance, and other performance on which accountability is based. The performance should be measured and reported in the form of performance reports. Such reporting is very important for internal parties, managers need performance reports from their staff to improve managerial accountability and performance accountability, for external parties, the performance information is used to evaluate organizational performance, assess the level of transparency and accountability.

As explained above, performance measurement is very important, such as knowing the level of the organization's achievement in providing services, as a means of teaching employees in providing services, can see the previous performance, as consideration in making decisions, to motivate employees, and create public accountability. With the measurement of performance is expected to provide good input in improving services provided to the community.

Meanwhile the advantages of performance measurement are:

- a. Provide an understanding of the size used to assess management performance.
- b. Provide direction to achieve predetermined performance targets.
- c. To monitor and evaluate performance achievements and compare them with performance targets as well as take corrective action and take corrective action to improve performance.
- d. As a basis for reward and punishment objectively for achievement measured in accordance with the system.
- e. As a communication tool between subordinates and leaders in order to improve organizational performance.
- f. Helps to identify whether customer satisfaction is fulfilled.
- g. Help understand the process of institutional activities.
- h. Ensure that decision-making is done objectively.

5. The Measurement Model of Financial Performance

Landiyanto (2005: 7), the main characteristic of a region capable of carrying out autonomy are:

- a. The ability of regional finances, which means the region has the ability and authority to extract financial resources, manage and use its own finances to finance the administration;
- b. Dependence on central assistance should be as minimal as possible, therefore, PAD should be the largest financial source supported by central and regional fiscal balancing policies.

These two traits will influence the pattern of relationship between central and local government. Conceptually, the pattern of financial relations between the central and local governments must be in accordance with the ability of regions to finance the implementation of government. Therefore, to see the ability of regions in carrying out regional autonomy, one of them can be measured through the effectiveness of local financial performance. According to Musgrave and Musgrave (1991: 68), argues that "in measuring the performance of regional finances a degree of fiscal decentralization between the central and local governments", which are consists of :

- a. PAD (Local Own Revenue) to total regional revenue,
- b. BHPBP (Tax and Non-Tax Revenue) to total local revenue, and
- c. Contribution from the Center to total local revenue.

The ability of local government in carrying out their duties is categorized effective if the achievement level of effectiveness is at least 100%. The higher level of achievement of effectiveness reflects the ability of local government to be better. Dwirandra (2006: 8), Mahsun (2006: 187) categorize the effectiveness of financial performance can be measured by the criteria of financial performance appraisal in the following table:

Table 5. Level of Financial Performance Effectiveness

Effectiveness of Local Financial	Ratio of effectiveness
Effective	>100%
Effectivebalanced	=100%
Not Effective	<100%

Source: Mahsun, 2006

Calculate the effectiveness of financial performance, the assumption used is that the targets set by the local government have been through the calculation of potential PAD or potential = target, then in this analysis the amount of potential used approach that is the number of plans / targets which is the estimated levy results that can minimally achieved within a budget year. In this study to see the effectiveness of local financial performance in the good management of PAD, it is necessary to calculate the effectiveness of PAD management whose value can be measured by the criteria of financial performance appraisal conceived by Mahsun, and the amount of PAD can also be used as an indicator of the level of dependence on the balance fund from the center, to find out the financial performance of the region, by way of analysis of the degree of fiscal decentralization, as drafted by Musgrave and Musgrave (1991: 68). The higher degree of independence of a region indicates that the region is increasingly able to finance its own expenditures without assistance from the central government. If combined with the degree of fiscal decentralization used to see the contribution of local revenues to regional revenue as a whole, it will look at the effectiveness of local financial performance. In general, the higher the

contribution of indigenous revenues and the higher the regional capability to finance their own capabilities, will demonstrate the effectiveness of positive local financial performance. In this case, the effectiveness of positive financial performance can be interpreted as the regional financial independence in financing the needs of the region and support the implementation of regional autonomy in the area.

E. Local Own Revenue

1. The Definition of Local Own Revenue(PAD)

Local own revenue is regional revenue from various local government efforts to raise funds for the purposes of the region concerned in financing its routine or developmental activities, comprising local taxes, regional fees, the share of regional-owned business profits, and other legally acceptable local revenue (Hirawan, 2007). According to Mardiasmo (2004: 132), "Indigenous revenues are receipts derived from the local tax sector, regional levies of regional-owned enterprises, the result of separated regional wealth management, and other native income. Another opinion put forward by Sutrisno (2004) says the local revenue is an income that shows the ability of an area to collect sources of funds to finance regional activities. Thus the amount of revenue can be known from the Regional Budget Book (APBD). The purpose of the Local Own Revenue is to authorize local governments to fund the implementation of regional autonomy in accordance with regional potentials in accordance with the potential of the region as a manifestation of decentralization. To see the regional capability in order to self supporting in terms of regional finance in order to reduce dependence on the central government, one of the most obvious is to see the

composition of existing revenue areas. The greater the composition of the Local Own Revenue, the greater the ability of the region to assume greater responsibility. But the smaller the composition of the Local Own Revenue to local revenue, then the dependence on the center is also getting bigger. While the perceived impact of the community with an increase in revenue of Local Own Revenue is the smooth development. From the above meanings it can be concluded that the Local Own Revenue is the revenue earned by the region from the sources within its own territory which is levied according to the regional regulations in accordance with the prevailing laws and regulations.

2. The Sources of Local Own Revenue (PAD)

Local Own Revenue as a source of local revenue should be enhanced in order to bear some of the expenses required for the implementation of government and development activities that are increasing every year so that the independence of broad, real, and responsible regional autonomy can be implemented. As regulated in Act no. 33 of 2004 Article 6 paragraph 1, sources of own revenue consist of:

a. Local Tax

The collection made by the Local Government to all tax objects in accordance with the provisions of applicable legislation. Based on Law no. 28 Year 2009 local taxes consist of:

- 1) Tax managed by the Provincial Government :
 - a) Vehicle tax;
 - b) Motor Vehicle Name Fee;
 - c) Motor Vehicle Fuel Tax;
 - d) Surface Water Tax; and

e) Cigarette Tax.

2) Tax collected by District/City:

- a) Hotel Tax;
- b) Restaurant tax;
- c) Entertainment Tax;
- d) Advertisement tax;
- e) Street lighting tax;
- f) Non Logan and Rock Mineral Taxes;
- g) Parking Tax;
- h) Groundwater Tax;
- i) Swallow's Nest Tax;
- j) Land and Rural Land and Urban Taxes;
- k) Acquisition of Land and Building Rights.

b. Local Retribution

Levies that do related with a service or facility applicable by the Local Government directly and real.

c. The result of separated regional wealth management

Profit of dividends through the management of Regional Companies, as well as the sale of shares belonging to the Region.

d. Other Legitimate Local Own Revenue

Meanwhile other legitimate Local Revenue are:

- 1) Results of sales of areas that are not separated
- 2) Current account service
- 3) Interest income
- 4) Gain on foreign currency exchange rate difference
- 5) Commissions, deductions or other forms as a result of the sale or procurement of goods, or services by the region.

F. Tax

1. The Definition of Tax

There is a lot of understanding about taxes, experts provide definitions and limitations of the Tax which all have the same understanding. Among them is the understanding of taxes raised by Adriani in (Waluyo and Ilyas, 2002: 4) which states that:

“Taxes are contributions to the State (indestructible) indebted by those obliged to pay according to the rules, with no immediate reciprocity and the point of which is to finance general expenditures relating to the duty of the state to administer the government.”

According to Rachmat Soemitro in (Mardiasmo, 2003: 1) are as follows:

“Local tax next referred to as Tax is a compulsory duty made by an individual or entity to a region without equal direct repayment, which may be enforced under applicable legislation and used to finance the administration of the Government in the region and regional development.”

From some definition above, can be withdrawn the inherent elements of taxes, among others:

- a. Taxes levied by the State (the Central and Regional Governments), by virtue of or the laws and regulations thereof. Therefore there is a term of central tax and local taxes.
- b. Without reciprocal or counterfeiting services from a directly designated State. In the tax payment can not be shown any individual contracting by the Government.
- c. Used to finance State households, ie expenditures that benefit the wider community, and if there is an excess then the rest is used for public investment.
- d. Besides having a function for the tool to enter the funds into the State treasury (Budgeter function), the tax also has another function that is the regulating function.

It can be concluded that the tax is a levy imposed by the government on the basis of the prevailing regulation that the result is used for public expenditure financing whose repayment is not directly felt.

2. The Definition of Local Tax

In order to improve services to the community and regional independence, it is necessary to expand the object of local taxes and levies and the provision of expressions in the determination of tariffs. Thus, local taxation and regional retribution policies are based on the principles of democracy, equity and justice, community participation, and accountability with regard to regional potential (Domai, 2010: 181).

Negara (2006: 22) asserted that the local tax is a tax with the authority of the collection are on the local government, both on provincial and district government.

Sumitro (in Kaho, 2007: 144-145):

The definition of local tax is tax that levied by swantara areas, such as Provinces, Towns, Regencies and so on. While Siagian formulate as State taxes submitted to the region and declared as a local tax by law.

From the above definition can be concluded that local taxes are State taxes submitted to the region to be levied under the laws and regulations that are used to finance regional expenditure as a public legal entity. Local taxes have several elements :

- Local taxes are derived from State taxes which are deposited with the regions as local taxes,
1. Delivery is done by law,
 2. Local tax shall be levied by the region on the strength of the law and / or other laws,

3. The result of local tax levies are required to finance the implementation of the elements of the local household or to finance regional expenditure as a public legal entity.

3. Parking Tax

a. The Definition of Parking Tax

In general, parking is a non-moving vehicle that is temporary due to abandoned drivers. The parking facilities are built together with most buildings, to facilitate the building wearer's vehicle. Malang as a parking tax collector has its own government regulation in the implementation that is using the Local Regulation of Malang No. 16 of 2010. Local Regulation of Malang Number 16 Year 2010 explain that :

Parking tax is a tax on provider of parking lot outside the road, whether provided in connection with the principal business as well as provided as a business, including motorized daycare and providers of free parking area as form of services for their visitors.

b. Parking Tax Object and Not Parking Tax Object

Not all parking types are included in the parking tax object criteria. Parking criteria that become the object of tax is regulated in the Local Regulation which has been set by the respective local government. Parking taxes are taxes on provision of the parking lot outside the road, whether provided in connection with the principal business or provided as a business, including the provision of motorized daycare.

Malang also set the criteria of parking that become the object of tax in the Regulation of Malang No. 16 of 2010, among others :

The provision of the parking lot outside the road, whether provided in connection with the principal business as well as those provided as an undertaking, includes motor vehicle and free parking provider as a form of service to its customers.

While that is not include as parking tax object, among others :

- 1) Provision of parking by the Government, Provincial Government and Local Government;
- 2) Operation of parking lots by offices that are only used by employees themselves.

c. Tax Subjects and Parking Taxpayers

The subject of the parking tax is an individual or agency that parking their motor vehicle, while the taxpayer is an individual or agency that carries a parking space.

d. Basis of Imposition, Tariff and Calculation of Parking Tax

- 1) The basis for the imposition of parking tax

The basis for the imposition of a parking tax is the amount of payment or that should be paid to the organizer. Amount that should be paid as referred to in paragraph (1), including discounted free parking rates provided to the recipient of parking services.

- 2) Parking Tax Tarif

Tariff is a percentage set by the local government used to calculate the amount of tax payable. Based on Act No. 16 of 2010 on regional tax article 52 explains that the determination of the parking tax rate of 20% (twenty percent).

4. The Function of Tax

In addition to being a source of financial income for the State, the Tax also has a Budgeter Function and Regular Function. Where in the opinion of Mardiasmo (2011: 1-2) regarding the two functions are as follows :

a. **Budgeter Function**

The Government levies Taxes solely for mapping that will be used later to finance expenditures-both government and routine as well as for development. This function means that the tax is the source of revenue for the state to increase the income into the State treasury in order to finance the output of the State. The state is like a household that needs a source of acceptance for life.

b. **RegulerFunction**

Taxes as a tool to organize or implement governmental implications in social and economic fields. Governments can regulate economic growth through. With the setting function, can be used as a means to achieve the goal. In order to protect domestic production, the government sets a high import duty for domestic production. Example: Tariff for 0% export to encourage export of Indonesian products to world market.

5. **Tax Collection Theory**

According Mardiasmo (2011: 3) there are several theories that justify the Tax, where the theories are as follows:

a. **Insurance Theory**

The State has the duty to protect its citizens from all interests of the salvation of his soul and the salvation of his property. For such protection required cost as in the insurance agreement required the existence of premium financing. Therefore, the people must pay taxes as an insurance premium because they get the guarantee.

b. **Interest Theory**

According to this theory, the basis of tax collection is the interest of each citizen. Includes interests in the protection of life and property. The higher the level of protection interest, the higher the taxes to be paid. This theory is much contested, because in fact the level of interest of the protection of the poor is higher than the rich. There are social security, health, protection, and others. Even the poor are actually exempt from the tax burden.

c. **Power Ibs Theory**

The tax burden for everyone must be the same weight, meaning that taxes must be paid according to each person's powers. To measure the carrying capacity can be used with 2 approaches are:

- 1) Objective element is by looking at the amount of income or wealth owned by a person.

- 2) Subjective element is to pay attention to the amount of material needs that must be met.
- d. Bakti Theory
The basis of justice of tax collection lies in public relations with his country. As a dutiful citizen, the people should always be aware that tax payment is a duty.
- e. Buying Power Principles Theory
The basis of justice lies in the consequences of tax collection. The idea of collecting taxes means attracting the purchasing power of households to the state households. Furthermore, the State will channel back to the community in the form of community welfare maintenance. Thus the interest of the community takes precedence.

6. The Principles of Tax Collection

In order for the purpose of tax collection to be achieved, then in choosing an alternative tax collection must adhere to the principles of tax collection itself, as proposed by (Suandy, 2005: 27) are as follows:

- a. Equality
Tax imposition among tax subjects should be balanced with the ability, that is balanced with the income they enjoy under the protection of government. In the case of this equity is not allowed a country to discriminate among fellow taxpayers.
- b. Certainty
The tax payable by the taxpayer must be clear and not compromise (not arbitrary). In this principle the predominant legal certainty concerns the subject of taxes, tax objects, tax rates, and terms of payment.
- c. Convenience of Payment
The tax should be levied at the best time for the taxpayer, ie at the time as close as the receipt of income or taxable profits.
- d. Economic of Collection
Tax collection should be done as frugally as possible, not to tax collection fees greater than the tax revenue itself. Because there is no means of tax collection if the cost incurred is greater than the tax revenue to be obtained.

7. The Terms of Tax Collection

In order not to cause obstacles or resistance, according to Siti Resmi (2009) tax collection must meet the following requirements:

a. Justice Terms

The law in the execution of collection should be fair. Fair in legislation such as taxes in general and evenly, and tailored to the ability of each. Fair in implementation that is by giving the right of Taxpayer to file an objection, delay in payment and appeal to tax.

b. Juridical Terms

Provide legal guarantees to declare justice, both for the State and its citizens.

c. Economic Terms

Collection should not interfere with the smoothness of production and trade activities, so as not to cause economic slump in the community.

d. Financial Terms

In accordance with the budgetary function, the tax collection fee must be reduced so that it is lower than the proceeds of the collector.

e. Tax Collection System Should Be Simple

A simple collection system will facilitate and encourage people to fulfill their tax obligations. This requirement has been complied with by the new tax law.

8. Tax Collection System

According to Mardiasmo (2006: 7) tax collection system consists of three systems, among others as follows:

a. Official Assessment System

It is a collection system that authorizes the government (fiskus) to determine the amount of tax payable by the taxpayer.

b. Self Assessment System

It is a tax collection system that authorizes taxpayers to determine for themselves the amount of tax payable.

c. With Holding System

It is a tax collection system which authorizes third parties (not tax authorities and not the taxpayers concerned) to determine the amount of tax payable by the Taxpayer.

CHAPTER III

RESEARCH METHODS

A. Type of Research

Research is a long process, beginning to know the phenomenon and further develop into ideas, theories and conceptualisations, the selection of appropriate methods and so on, the final result in giliranya gave birth to a new theory as well so it is a never-ending process Singarimbun in Ashafani (2016: 47). Meanwhile, according to Parson in Nazir (2013: 4) suggests that "research is a systematic inquiry with the emphasis that this search is done on problems that can be solved".

The research used in this research is descriptive with qualitative approach. According to Bogdan and Taylor descriptive research is a study related to the collection of data to provide an overview or endorsement of a concept or symptom, and also answer questions relating to the status of research subjects at this time (Moleong, 2002: 9). While the qualitative approach according to Bogdan and Taylor, 1984 (in Suyanto and Sutinah, 2006: 166), qualitative approach as a research procedure that produces descriptive data in the form of written or oral words of the people and behavior that can be observed.

The basis of these considerations, the use of descriptive research type with qualitative approach can be said to be more adequate to be applied in this research

skrispsi, which aims to describe how the performance of Department of Local Tax Service in increasing Local Own Revenue in Malang.

B. Focus of Research

The focus of research is something that made the center of attention in research, so it will facilitate researchers in determining which data are needed to research. Based on Moleong (2002: 62) notes that the problem in qualitative research is called focus. Qualitative research requires a set of limits in research to sharpen the focus and determine the location of the research, then in research the main problem that become the focus are :

1. Department of Local Tax Service performance in increasing Local Own Revenue through Parking tax in the shopping center of Malang, viewed from:
 - a. Performance of Local Government Organizations according to Mahsun on page 28 the indicators consist of:
 - 1) Input
 - a) Human Resources
 - b) Facilities and Infrastructure
 - c) Regulation
 - 2) Process
 - a) Terms of Tax Payment
 - b) Tax Payment Procedure
 - 3) Output
 - a) Service Speed

b) Certainty of Service Charge

4) Benefit

a) Community Participation Level

b) Community Satisfaction Level

5) Impact

a) Increasing of Local Tax Revenue

b. Financial Performance by Musgrave and Musgrave on page 34 can be measured by:

1) Effectiveness of target achievement and realization

a) Target and Realization of PAD

b) Target Effectiveness and Realization of Local Tax

c) Effectiveness of Local Tax to Total PAD

2) Degree of Fiscal Decentralization

a) Effectiveness of PAD to Total Local Revenue

b) Effectiveness of BHPBP (Profit Sharing Tax and Non-Tax) to Total Local Revenue

c) Effectiveness of Central Contribution to Total Local Revenue

2. Factors that affect Department of Local Tax Service performance in increasing Local Own Revenue through parking tax in the shopping center of Malang:

a. Supporting Factors

1) Internal Factor

- a) The existence of skilled, professional, and educated human resources
 - b) Availability of adequate facilities and infrastructure
 - 2) External Factor
 - a) Factor of Potential Revenue Sources
- b. Inhibiting Factors
 - 1) Internal Factors
 - a) Limited Number of Employee in Department of Local Tax Service Malang
 - b) Low Monitoring System
 - 2) External Factors
 - a) Uncertain Extreme Weather in Malang
 - b) Lack of Community Awareness as Taxpayers in Paying Local Taxes
 - c) Location of Department of Local Tax Service Malang Less Strategic

C. Location and Sites of Research

The location of the study is the space or place where the researcher will reveal the true state of the object to be studied. The location of the research intended in this study is the location where this research is conducted. The location of research that will serve as a place of research is Malang. The reason for the selection of Malang is

based because Malang is one of the areas for the purpose of shopping in East Java and as a fashion city of course there are many shopping centers that can attract investors, visitors from outside the region or inside to visit and shop in Malang, so it has great potential to increase Parking Tax which will be able to increase the local revenue. While the research site is a place where researchers can capture and know the true state of the object under study in order to obtain valid and accurate data. In this research that will be a research site is Department of Local Tax Service Malang located on Jl. Mayjend Sungkono Building B Floor I.

D. Type and Sources of Data

The types of data required in this study are:

1. Primary data is original data obtained directly from the source, either from informants or from an event or event.
2. Secondary data is the result of the use of other sources, indirect and is a pure historical document, in terms of research needs. These secondary data sources include documents and archives.

As for the sources of data in this study (Suprayogo and Tabroni, 2001: 163) are:

a. Resource (Informants)

In qualitative research the position of resource is very important, not a hindrance is also responsible as the owner of information. Hence it is called informant (person who gives information, source of information, data source) or also called subject studied. Because he is also an actor or

actor who participated in unsuccessful research based on the information provided. The informants in this research are:

- 1) Head of Determination Sub-Section at Department of Local Tax Service Malang, Dra. Wiwik Yosoniati
- 2) Head of Registration Sub-Section at Department of Local Tax Service Malang, Nanang Sweist, S.Ab
- 3) Head of General Sub Division at Department of Local Tax Service Malang, Surya Bettasari, SE., MM
- 4) Subsection of Development of Tax Service System at Department of Local Tax Service Malang, M. Samsul Hidayat
- 5) Taxpayer as service user

b. Event or Activity

Data or information can also be obtained through observation of events or activities related to research problems. From this event, the researcher can know the process of how things happen more definitively because witnessing themselves directly. By observing an event or activity, the researcher may cross check the verbal information provided by the subject under study.

c. Documents or Archives

Documents are written materials or objects related to a particular event or activation. It may be a recording or written document such as archives, databases, letters, recorded images or relics relating to an event.

E. Data Collection

Data Collection Method is one of the series of research that is important for the success of a study because the data collected will be used as a valid information material and representative for further analysis. In this study the researchers used the following techniques:

1. Observation, recording systematically phenomena, conditions and situations to be studied. Observation is done by conducting direct observation and recording the things that are needed and related to the focus of research
2. Interviews, namely by conducting a dialogue directly or question and answer with the parties directly related to the needs of researchers. The technique of determining the resource was chosen by using purposive sampling technique. Purposive sampling is a technique of sampling the source data with certain considerations. This particular consideration, for example, is the person who is deemed to know best about what we expect, or maybe he is the ruler so that it will allow researchers to explore the object or social situation under study (Sugiyono, 2013: 218). This data collection technique is used to obtain primary data about the performance of Department of Local Tax Service Malang in increasing the PAD of the parking tax sector. It is intended to obtain an explanation of the actual and relevant to the problem under study.

3. Documentation, is a way or technique of data collection is done by analyzing written data in documents, newspapers, diaries, and other print media that have a relationship with research needs.

F. Instruments of Research

The research instrument in Ashafani (2016: 54) is a tool used to measure both natural and social phenomena observed. Specifically all these phenomena are called research variables. The instruments used in this research are:

1. Researchers themselves, namely by using their own senses to see, observe and feel the events that exist in the field, especially those associated with the focus of research.
2. Interview guide (interview guide), which is a list of questions held by researchers as a guide in collecting information appropriate to the topic of research.
3. Field notes (fieldnote), ie report notes used to record interviews and observations from data sources
4. Supporting devices, stationery to assist in recording the important things in the field, as well as cameras and mobile phones.

G. Analysis of Data

According to Bogan data analysis is the process of systematically searching and arranging the interviews transcripts, fieldnotes, and other materials that you accumulate to have (Sugiono, 2014: 224). Data analysis is the process of searching and compiling systematically the data obtained from interviews, field notes, and other

materials, so that it can be easily understood, and findings can be informed to others. Data analysis used in this research is analysis of Miles, Huberman, and Saldana (2014). which uses interactive model data analysis. The author uses interactive data model analysis because in accordance with the research process that is continuous, repetitive, and continuous. In this study, the condensed data was carried out continuously during the study to sort out the necessary information. Information has been obtained and then grouped according to the focus of the research for subsequent withdrawal of conclusions.

The components of the interactive model data analysis are described as follows:

1. Data Collection

The data in this research can be from observation, interview, and documentation done by the researcher.

2. Data Condensation

Several steps of analysis during data collection according to Miles and Huberman are:

- a. Condensing the data of direct contact with other individual, occurrence, and situation in research location. In this first step, it includes as well to choose and condense the relevant documents.
- b. Coding, in coding process there are at least four points to look at:
 - 1) It uses symbol
 - 2) Code is made in a certain structure
 - 3) Code is made with certain detail level

- 4) The whole coding process is made in an integrative system
- c. In the analysis during data collection, there must be a making process of objective note. The researcher needs to note at once to classify and to edit the answer of the situation as it is, in other words, factual or objective descriptive.
 - d. Making reflective note, the researcher needs to write what is imagined during the process which is related to the research and objective note, yet it must be separated from the objective note.
 - e. Making original note, Miles and Huberman stated to separate the comments of the researcher about its substance and methodology. Substantial comment is marginal note.
 - f. Data saving, in data saving there are some points to look at such as labeling; having uniformity in format and certain normalization; using index with well-organized system.
 - g. Data analysis during data collection is memo making. According to Miles and Huberman, memo here is the theorization of idea or idea conceptualization which is started through idea development.
 - h. Between sites analysis. There are possibilities that study may happen in more than one location or even it is done by more than one researcher staff. The consolidation among the researchers in the process of writing the descriptive note, reflective note, marginal note and memo have to be done in conformity.

- i. Between sites temporary summary making. The content is more into the matrix about the availability of the data in each location of the reserach.

3. Presentation of Data (Data Display)

Presentation of data after the data is completed is reduced or summarized. Data obtained from the observation, interview, and documentation are analyzed and then presented in the form of Interview Notes, Documentation Notes, and Field Notes. The data that has been presented in the records was coded data to organize the data, researcher can analyze quickly and easily. Researchers make a list of previous codes according to interviewing, observation, and documentation. The coded data is then analyzed in the form of reflection and presented in text form.

4. Conclusion / Verification Process

The final step in analyzing the qualitative data of the interactive model is the conclusion and verification. Based on the data that has been reduced and presented, the researchers make conclusions supported by strong evidence at the data collection stage. The conclusion is the answer of the problem formulation that has been described early by the researcher.

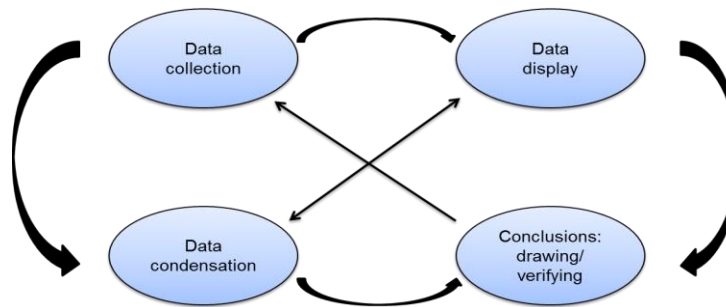


Figure 1. Data Analysis Interactive Model

Source : Miles, Huberman and Saldana, 2014:14

H. Validity of Data

Avoid mistakes or mistakes that have been collected data, it is necessary to check the validity of data. Four research techniques that can be used in placing data validity (Moleong, 2002: 173) include:

1. Degree of trust (Credibility)

Discourse on the truth of the research results can be obtained through several methods, among others:

- a. Opt-in renewal
- b. Observational Diligence
- c. Triangulation. Triangulation is a technique of checking the validity of data that utilizes something outside the data for checking purposes or as a comparison against the data.
- d. Reference sufficiency

2. Transferbility

It is an empirical process that depends on the similarity between the sender and recipient context. To make the switch, the researcher will search the data and collect it in context related to the research objectives.

3. Dependability

Persistence seen from conventional term can be called as reliability. Reability is a requirement for validity, only with a reliable tool, it will get valid data. To fulfill the above, data checking is done by the supervisor as the auditor.

4. Confirmability

In determining the certainty of research type of descriptive with qualitative approach, research that becomes the main key. In addition, researchers also conducted continuous discussions with supervisors.

CHAPTER IV

RESULT AND DISCUSSION

A. General Description of Research Location

1. General Description of Malang

a. The Condition of Malang

Malang Malang region is located in the midst of an astronomically lies in the position of 112.06 – 112.7 East longitude, 7.06 – 8.02 South latitude, with territorial boundaries as follows:

- 1) North : Sub Singosari and Sub Karangploso, Malang District
- 2) East : Sub Pakis and Sub Kedungkandang, Malang District
- 3) South : Sub Tajian and Sub Pakisaji, Malang District
- 4) West : Sub Wagir and Sub Dau, Malang District

Malang has an area of 110.06 Km². City with population up to 2014 from 865,306 people consisting of 491. 5308 male inhabitants, and female population of 432,948 inhabitants. Population density is approximately 7,498 square miles. Spread over 5 subdistricts (Klojen = 109,032 people, Blimbing = 191,667 people, Kedungkandang = 199,50 soul, Sukun = 198.394 soul, and Lowokwaru = 166,694 inhabitants). Based on the coverage of village / kelurahan ability in the Self-Sufficiency category. It means that all the existing kelurahan can run their government independently.

Source:<https://petatematikindo.files.wordpress.com/2015/03/administrasi>

kota-malang-a11.jpg

Ethnic people of Malang famous religious, dynamic, hard working, straightforward and proud of its identity. The composition of indigenous peoples comes from a variety of ethnic (especially the Javanese, Madurese, a small part of Arab and Chinese descent). The ethnic and cultural wealth possessed by Malang has an effect on traditional art. One of the most famous is the mask dance, but is now increasingly eroded by modern art. This artistic style is a form of a meeting of Central Javanese arts styles (Solo, Yogyakarta), East-South Java (Ponorogo, Tulungagung, Blitar) and Blambangan art style (Pasuruan, Probolinggo, Situbondo, Banyuwangi).

Java language with East Javanese dialect Timuran and Madurese language is the everyday language of the people of Malang. The younger generation applies a typical Malang dialect called "boso walikan" that is the way the word pronunciation is reversed. The style of language in Malang is notoriously rigid without the uploads as the common language of Java is rough. It shows the attitude of the people who are firm, straightforward and not familiar with the small talk. Most migrants are traders, workers and students or students who are not resident and in a certain period back to their home region. Most of them come from areas around Malang for traders and workers. As for the class of students or many students who come from outside the region.

b. Economic Overview

The existence of colleges and universities in the city of Malang became an attraction for residents outside of the region. This enables economic growth highest in Malang in East Java. Most of the economic growth of the sector of

trade and business services provides a variety of student needs. In addition, the city has a number of Unfortunate place that can attract visitors to spend his spare time with his family and spends most of his money to buy the gift shop that became the hallmark of Malang as apples to make tempe and ceramic souvenirs. With this fact, the various new businesses appeared along with the needs of an increasingly diverse population, began the business of food needed per person up to business to indulge such as Spa and Beauty Salon.

Seeing the potential, creativity to create and grow businesses in the city of Malang is very much needed. With this potential, not only business with large capital that can compete with maximizing the uniqueness of their products. In this case, the advertising and marketing through the sales model is very influential on the level of sales.

c. Local Potention

Malang that has a population density of both in East Java City of Surabaya after, also known as the city of the student has some potential to be reliable as a potential area to support the existence of the original Income area. The potential of Malang is the largest form of activities of industry, trade and services, as for the potential of the industry in the city of Malang in the form :

1. Cigarette Industry,
2. Industrial Carrosserie,
3. The food industry,
4. Craft industry,
5. The housing industry.

As for trade and services include :

1. Shopping malls and shops,
2. Hospitality,
3. Transport,
4. the Bureau's services,
5. formal and non formal Education,
6. Restaurants and food stalls.

Some potential which is the city of Malang. Education is the primary goal of the student from various areas throughout Indonesia to continue his studies to a higher level. With so many students there are in the city of Malang then can directly move the economy sectors in society in General and in particular in the service sector.

2. General Description of Department of Local Tax Service Malang

a. Location of Agency

Tax Service Agency Region of Malang is located at JL. Mayjend Sungkono Integrated Office Building B 1st floor, Sub. Arjowinangun Malang.

b. Vision and Mission of Department of Local Tax Service Malang

Vision :

In carrying out the development task, Department of Local Tax Service Malang has the following vision :

***“Terwujudnya Peningkatan Pendapatan Daerah
Dalam Rangka Mendukung Pertumbuhan
Perekonomian Kota Malang”***

**”Realization of Increasing Local Own Revenue
in Order to Support Economic Growth of**

Mission :

To realize the vision of the Department of Local Tax Service Malangset mission as follows :

- 1) Increasing Local Revenue Sources**
- 2) Achieving a qualified Human Resource**
- 3) Fulfillment of facilities and work**

Purposes :

Purpose is the translation or implementation and the Mission statement. If Mission is an operational of the Vision, the goal is operational from Mission. Goals are the final results that will be achieved or generated within the next 1 year. With the goal, the focus of the organization can be further refined and provide direction for the targets to be achieved. In the Work Plan Department of Local Tax Service Malang , while the objectives to be achieved are:

- 1) Increasing Local Tax Revenue
- 2) Improving the Quality of Public Service
- 3) Realizing Efficient and Efficient LocalFinancial Management with Transparent and Accountable Principles

c. Organizational Structure

Department of Local Tax Service Malang is led by a Head of Agency who in carrying out its duties assisted by a Secretary and 3 (three) Heads of Fields, namely: Field Data Collection, Registration and Determination, Field Billing and Inspection and Potential Development Field.

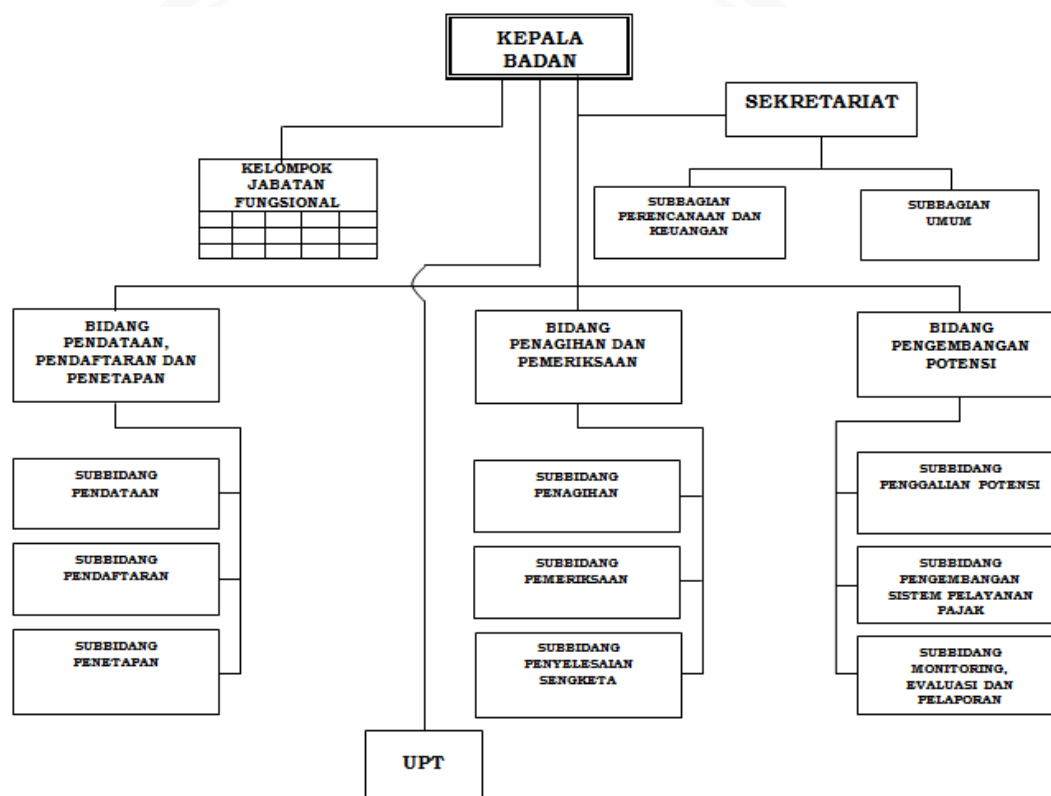


Figure3. Organization Structure of BP2D Malang
Source : BP2D Malang 2018

- (1) The organizational structure Department of Local Tax Service, consisting of:
 - a. The Head of Agency;

b. Secretariat, which is consist of:

- 1) Planning and Finance Sub Division;
- 2) General Sub Division;

c. Field of Data Collection, Registration and Assignment, consisting of:

- 1) Data Collection Sub Division;
- 2) Registration Sub Division;
- 3) Determination Sub Division;

d. Field of Billing and Checking, consisting of:

- 1) Billing Sub Division;
- 2) Checking Sub Division;
- 3) Dispute Settlement Sub Division;

e. Potential Development Sub Division, consisting of:

- 1) Potential Excavation Sub Division;
- 2) Development of Tax Service System Sub Division;
- 3) Monitoring, Evaluating dan Reporting Sub Division;

f. Technical Implementation Unit (UPT);

g. Functional Position Group.

(2) The Secretariat shall be headed by the Secretary and the Sector shall be headed by the Chief of the Sector who in carrying out his principal duties and functions shall be under and accountable to the Head of Agency.

d. Main Task and Function

a. Main Task

Department of Local Tax Service has the task of preparing and implementing local policy in the field of collection of Local Taxes.

b. Function

To carry out these basic tasks, Department of Local Tax Service has the following functions:

- 1) preparation of strategic planning of regional apparatus;
- 2) preparation of Regional Tax intensification and extensification plan;
- 3) development of potential Local Taxes;
- 4) data collection, registration and determination of Local Taxes;
- 5) collection of Local Taxes;
- 6) resolution of objection to the Regional Tax;
- 7) completion of rectification requests, cancellations, reduction of provisions, deletion, reduction of sanctions, and overpayment of Regional Taxes;
- 8) guidance and control over the system of collection of Regional Tax;
- 9) issuance of Taxpayer Registration Number (NPWPD);
- 10) bookkeeping and reporting on the collection and payment of Regional Taxes;
- 11) management of Regional Property under its authority;
- 12) management of public administration;
- 13) empowerment and fostering functional positions; and the implementation of UPT.

e. Description of Main Task and Function

1. The Head of Agency

The Head of Agency has the duty to perform the main tasks and functions, coordinate and conduct internal control over the work unit under it and perform other tasks assigned by the Mayor in accordance with their duties and functions.

- 1) devise and formulate strategic planning Agency Ministry of tax areas based on the applicable legislation and the data sources that are available as guidelines for the implementation of the activities;
- 2) devise and formulate policies in the field Regional Tax collection based on the given authority and the provisions of the legislation as the agency operational directives;

- 3) directs subordinates appropriate field of duty as a guide program implementation;
- 4) carry out assessment/review in the framework of the search for alternative solutions/policy for Leadership;
- 5) carry out the analysis/review in the framework of the development potential of the local tax as a policy to increase the original pendatan Area;
- 6) coordinate appropriate local tax collection authority owned to the fulfillment of the original revenue target Area of the sector of Local tax;
- 7) coordinate the logging, registration and assignment in accordance with local tax laws and regulations in order to optimize the poll Local tax;
- 8) coordinate the resolution of objections to the Tax Area in accordance with the laws and regulations in order to optimize the poll Local tax;
- 9) performs service of completion of application for correction, cancellation, reduction of provision, deletion, reduction of sanction, and overpayment of local Tax in accordance with the provisions of legislation in order to optimize the collection of Local Tax;
- 10) performs the service of issuance of Taxpayer Registration Number (NPWPD) in accordance with the provisions of legislation in order to optimize the collection of Local Taxes;
- 11) to coordinate the preparation of intensification and extensification plan of Regional Tax in accordance with the provisions of legislation in order to optimize the collection of Local Taxes;
- 12) coordinate with the regional apparatus and / or relevant agencies to obtain inputs, information and evaluate the problems in order to obtain optimal work results;
- 13) undertakes cooperation with the relevant agencies in order to realize the achievement of the original target of the region;
- 14) carry out inventory and data collection on health activities as an evaluation material;
- 15) submit suggestions and considerations to superiors as inputs for the smooth execution of tasks;
- 16) conducting coaching to subordinates in accordance with their field of duty in order to improve the smooth execution of tasks;
- 17) controlling the implementation of programs and activities in accordance with the work plan that has been set in order to realize the achievement of the agreed performance targets;
- 18) evaluate the implementation of the program and the operational activities of the collection of Local Taxes by measuring the achievement of work programs that have been prepared as materials for the preparation of reports;
- 19) report the execution of duties to superiors in accordance with their authority as a basis for policy making;
- 20) carries out other official duties granted by the Leader in accordance with its duties and functions.

2. Secretariat

The Secretariat performs the main duties of general administrative management including programming, management, administration, finance, personnel, household affairs, equipment, public relations and literature and archives. The Secretariat has functions:

- 1) Coordination of activities within the Local Tax Service Board;
- 2) Coordination of preparation of plans, programs and activities within the Local Tax Service Board;
- 3) Guidance and provision of administrative support covering administration, personnel, finance, housekeeping, archives, and documentation within the Local Tax Service Office;
- 4) fostering and organizing the organization and governance, cooperation, and public relations; and management of Regional Property (BMD) which becomes the authority of the Department of Local Tax Service;
- 5) formulate programs and activities of the Secretariat under the provisions of laws and data sources available as guidelines for the implementation of activities;
- 6) divide duties to subordinates according to their field of duty in the framework of the implementation of secretarial activities;
- 7) coordinate with all Fields within the Department of Local Tax Service to obtain input, information and to evaluate the issues in the context of the preparation of program and activity plans;
- 8) oordinate with all Fields within the Department of Local tax Service to obtain input, information and to evaluate the problems in order to obtain optimal work results;
- 9) regulates general administrative services covering administration, personnel, finance, housekeeping, archives, and documentation in accordance with the provisions of law and regulations in the provision of administrative support for the implementation of activities;
- 10) regulates organizational arrangements and governance, cooperation, and public relations in accordance with the authority of the Regional Tax Service Agency to smooth the task;
- 11) regulate the management of Regional Property (BMD) in accordance with the authority of the Department of Local Tax Service to be implemented in accordance with the provisions of the law and regulations;
- 12) submit suggestions and considerations to superiors as inputs for the smooth execution of tasks;
- 13) monitoring and evaluating the performance of subordinate tasks in line with their field of duty for the achievement of secretarial programs and activities;

14) report the execution of duties to superiors in the field of their duties as a basis for policy making; and perform other official duties given by the Leader in accordance with the duties and functions.

(1) Secretariat, consist of:

- a. Planning and Finance Sub Division;
- b. General Sub Division.

(2) Each Subsection is headed by a Head of Sub Division who in carrying out his main duties and functions is under and responsible to the secretary.

1) Planning and Finance Sub Division has the task of collecting and compiling planning, monitoring, evaluation and reporting materials as well as preparation of financial administration materials and reporting of financial accountability. To carry out the main tasks Sub-Section Planning and Finance has the function:

- a. to plan activities and budgets of the Planning and Financial Subdivision in accordance with applicable laws and regulations and available data sources as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate in the field of their official duties in the framework of preparing the preparation of activity program and budget plan program;
- c. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and compiling budget execution materials;
- d. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compiling the monitoring and evaluation of the implementation of programs and activities;
- e. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparation of materials preparation of performance reports Department of Local Tax Service;

- f. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparation of financial administration and reporting of financial accountability;
- g. distribute duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of subdistrict tasks;
- h. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- i. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- j. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- k. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- l. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- m. carry out other official duties given by the Leader in accordance with the duties of his position.

2) General Sub Division has the task of preparing the materials for the implementation of general administrative affairs including: administration, organization and management, cooperation, public relations, household, equipment, documentation, library and archives as well as administrative management of the *BP2D*. To carry out the main task the

General Sub Division has a function:

- a. to plan activities and budgets of the Planning and Financial Subdivision in accordance with applicable laws and regulations and available data sources as guidelines for the implementation of activities;
- b. giving instructions to the Implementer / subordinate according to the field of their official duties in the framework of preparing the material for the implementation of general administrative affairs including: administration, organization and management, cooperation, public relations, household, equipment, documentation, library and archives;

- c. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparing materials administration of personnel administration;
- d. give instructions to the Executor / subordinate according to the field of duty in the framework of the collection and compilation of materials management of Regional Property (BMD) which is the authority of the Department of Local Tax Service;
- e. distribute duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of subdistrict tasks;
- f. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- g. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- h. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- i. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- j. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- k. carry out other official duties given by the Leader in accordance with the duties of his position.

3. Field of Data Collection, Registration and Determination

Field of Data Collection, Registration and Determination have the main duty to assist the Head of the Agency to implement the management of programs and activities in the field of data collection, registration, assessment and determination and supervision of Local Taxes. To carry out the main tasks, the Field of Data, Registration and Determination perform the functions::

- a. formulation of technical policy in the field of data collection, registration and determination of Regional Tax;
- b. registration, data collection, determination of Local Taxes;
- c. assessment of object, subject and Taxpayer;
- d. calculation and stipulation of the imposition of Regional Tax;
- e. controlling the distribution of SSPD;
- f. processing control of Local Tax Payer Number (NPWPD);

- g. preparation of the provisions of SPPT, SKPD, SKPDKB and SKPDLB; and
- h. management of valuable objects of Local Taxes.
- i. to plan the program of data collection, registration and determination of Regional Tax based on the prevailing laws and regulations and data sources available as guidelines for the implementation of activities to improve the smoothness of the implementation of the tasks;
- j. to plan and formulate technical policies in accordance with the provisions of legislation and their field of duties as a reference material for program and activity operations;
- k. divide duties to subordinates according to their field of duties in the framework of the implementation of field activities of registration, registration and determination of Local Taxes;
- l. coordinate with the Secretariat and Fields within the Department of Local Tax to obtain inputs, information and to evaluate the issues in the context of the preparation of program and activity plans;
- m. to regulate the execution of subordinate duties in accordance with their field of duty in the framework of registration, data collection, determination of Local Taxes;
- n. arrange the implementation of subordinate tasks in accordance with the field of duties in the framework of assessment of objects, subjects and Taxpayers;
- o. to regulate the execution of subordinate duties in accordance with the field of duties in the framework of calculating and stipulating the imposition of Local Taxes;
- p. regulate the implementation of subordinate tasks in accordance with their field of duties within the framework of controlling the distribution of SSPD;
- q. to regulate the implementation of subordinate duties in accordance with the field of duties in the context of processing the Taxpayer Identification Number (NPWPD);
- r. arrange the implementation of subordinate tasks in accordance with the field of duties in the framework of drafting the provisions of SPPT, SKPD, SKPDKB and SKPDLB;
- s. to manage the implementation of subordinate tasks in accordance with the field of duties in the framework of the management of valuable objects Regional Taxes;
- t. convey suggestions and considerations to superiors in the field of their duties as input for the smooth implementation of the task;
- u. monitoring and evaluating the performance of subordinate tasks in line with their field of duty for the achievement of secretarial programs and activities;
- v. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- w. carries out other official duties assigned by the Leader in accordance with their duties and functions.

(1) Field of Data Collection, Registration and Assignment, consisting of:

- a. Data Collection Sub Division;
- b. Registration Sub Division;
- c. Determination Sub Division.

(2) Each Subsection is headed by the Head of Subsection who in carrying out its main task and function is under and responsible to the Head of Subsection.

1) Data Collection Sub Division has the main task of collecting and compiling materials in the framework of data collection Regional Tax. To carry out the main task, Head of Data Sub-Division has a duty:

- a. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy on the data of the Local Tax;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compiling object data collection and Taxpayer;
- c. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of the collection and compilation of materials for calculation and determination of Local Taxes;
- d. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compiling the material assessment of the object, subject and Taxpayer;
- e. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compiling the monitoring and evaluation of the object of the Regional Tax;
- f. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of archiving and documenting the data of Regional Tax;

- g. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
 - h. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
 - i. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
 - j. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
 - k. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
 - l. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
 - m. carry out other official duties given by the Leader in accordance with the duties of his position.
- 2) Registration Sub Division has the main duty to collect and compile the material in the framework of registration of Local Tax. To carry out the main task, Head of Registration Sub Division has duties and functions:
- a. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy registration of Local Taxes;
 - b. give instructions to the Executor / subordinate according to the field of duties of his position in order to monitor the return and inspection of forms that have been filled by the Taxpayer or his proxy;
 - c. give instructions to the Executor / subordinate according to the field of duty of his position in the framework of preparing the form and processing of Taxpayer registration and distributing to the Local Tax Payer;
 - d. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of the issuance and archive service of the archive of the Taxpayer Identification Number (NPWPD);
 - e. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of archiving the Taxpayer Identification Number (NPWPD);

- f. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
 - g. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
 - h. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
 - i. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
 - j. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
 - k. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
 - l. carry out other official duties given by the Leader in accordance with the duties of his position.
- 3) Determination Sub Division has the main duty to collect and compile the material in the framework of determination of Local Taxes. To carry out the main task, Head of Subdivision Determination has the duty and function:
- a. plan activities and budgets Subdivision Determination in accordance with legislation and data sources available as guidelines for the implementation of activities;
 - b. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy determination of Local Taxes;
 - c. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of calculating the Local Tax;
 - d. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and compilation of materials determination of SPPT, SKPD, SKPDKB, SKPDLB, and SKPDN;
 - e. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of issuance of SPPT, SKPD, SKPDKB, SKPDLB, and SKPDN;
 - f. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparation of SKPD's recapitulation list and other issued Decree Letter;

- g. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of assessment of Tax object in the framework of determining the amount of NJOP;
- h. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of compilation of material formulation of Value Object Sales Tax (NJOP);
- i. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compiling the calculation and determination of the magnitude of the imposition of the United Nations Urban;
- j. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparation of materials preparation plan needs of valuable objects Local Taxes;
- k. giving instructions to the Executor / subordinate according to the field of duty of his position in the framework of recording receipt, expenditure and control and reporting of valuable objects of Local Tax;
- l. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of the implementation of porforasi valuable objects Local Taxes;
- m. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
- n. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- o. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- p. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- q. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- r. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- s. carry out other official duties given by the Leader in accordance with the duties of his position.

4. Field of Billing and Checking

Field of Billing and Checking has the main duty to assist the Head of the Agency to implement the management of programs and activities in the field of billing and inspection of Local Taxes. To

carry out these basic tasks, the Billing and Checking Fields perform the following functions:

- a. formulation of technical policy in the field of billing and inspection of Local Tax;
- b. billing of Local Taxes;
- c. preparation of reports on realization of arrears of Local Taxes;
- d. supervision of collection of local taxes;
- e. examination of request for reduction and delay in payment of fines of the Regional Tax;
- f. settlement of local tax dispute;
- g. settlement of overpayment of Local Taxes;
- h. settlement of objections to the determination of the magnitude of the imposition of Regional Tax;
- i. examination of objects, subjects and local tax payers; and
- j. controlling the distribution of SPPT, SKPD, SKPDT, SKPDKB and SKPDLB.

(1) Field of Billing and Checking, consist of:

- a. Billing Sub Division;
- b. Checking Sub Division;
- c. Dispute Settlement Sub Division.

(2) Each Sub Division is headed by the Head of Sub Division who in carrying out its main task and function is under and responsible to the Head of Subsection.

1) BillingSub Division has the duty to collect and compile the materials in the framework of the collection of Regional Taxes. To carry out the main task, Head of Billing Subdivision has duties and functions :

- a. to plan the activities and budgets of the Billing Sub-section in accordance with the laws and data sources available as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy on the billing of the Regional Tax;

- c. give instructions to the Executor / subordinate according to the field of duties of his position in order to distribute SSPD, SPPT and SKPD to the Taxpayer;
- d. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparing the collection material on arrears of the Local Tax;
- e. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparation of materials preparation reports realization arrears of Local taxes;
- f. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
- g. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- h. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- i. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- j. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- k. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- l. carry out other official duties given by the Leader in accordance with the duties of his position.

2) CheckingSub Division has the main task of collecting and compiling materials in the framework of examination of objects, subjects and local taxpayers. To carry out the main task, Head of CheckingSub Division has a duty:

- a. to plan activities and budgets of the Sub-Section of Inspection in accordance with laws and data sources available as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy on the inspection of Regional Taxes;
- c. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy on the inspection of Regional Taxes;

- d. giving instructions to the Executor / subordinate according to the field of duty of his position in the framework of collecting and compiling the material inspection of tax object in the framework of resolution of objection on the determination of the amount of imposition of Regional Tax;
 - e. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and compilation of materials inspection object of Local Tax in the framework of determining the change of the amount of tax assessment area;
 - f. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparation of materials inspection of objects, subjects and local taxpayers;
 - g. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparation of inspection materials SPPT provisions, SKPD, SKPDT, SKPDKB and SKPDLB;
 - h. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and composing the supervisory material of collection of Regional Tax;
 - i. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
 - j. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
 - k. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
 - l. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
 - m. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
 - n. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
 - o. carry out other official duties given by the Leader in accordance with the duties of his position.
- 3) Subsection Settlement of Disputes has the main duty to collect and compile the materials in the framework of the resolution of the

objection and the dispute of the Local Tax. To carry out the main task, the Head of Dispute Settlement Subsection has a duty:

- a. to plan the activities and budgets of the Sub-Section of the Settlement of Disputes in accordance with the laws and data sources available as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duty of his position in the framework of preparing the material formulation and implementation of the technical policy of the objection resolution and the dispute of the Regional Tax;
- c. give instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and preparing the materials of the objection of the Regional Tax;
- d. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and preparing the material of dispute resolution of the Regional Tax;
- e. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparing the material overpayment of Regional Taxes;
- f. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
- g. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- h. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- i. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- j. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- k. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- l. carry out other official duties given by the Leader in accordance with the duties of his position.

5. Field of Potential Development

Field of Potential Development has the main duty to assist the Head of the Agency to implement the management of programs and activities

in the field of potential development of Local Taxes. To carry out these basic tasks, the Potential Development Field performs the functions:

- a. formulation of technical policy in the field of potential development of Local Taxes;
- b. development of Regional Tax Management Information System;
- c. research and control over the bookkeeping and recording of realization of Local Tax revenue and other legal revenues collected;
- d. periodic (Monthly and Annual) reporting and realization of acceptance of Local Taxes and other legal revenues collected;
- e. assessment of potential Local Taxes;
- f. technical guidance of Local Tax Service; and
- g. assessment of the implementation of local law products related to local taxes.

(1) Field of Bookkeeping and Development of Potential, consist of:

- a. Subsection Potential Excavation;
- b. Subsection of Development of Tax Service System;
- c. Subsection of Monitoring, Evaluating and Reporting.

(2) Each Sub Division is headed by the Head of Sub Division who in carrying out its main task and function is under and responsible to the Head of Field.

1) Subdivision of Potency Potential has the main duty to collect and compile the material in the framework of excavation of potential increase of LocalTax Revenue. To carry out the main task, Head of Excavation subdivision has task:

- a. to plan activities and budgets of the Subdivision of Dispute Dispute in accordance with the laws and data sources available as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy of

- exploring the potential for increasing the receipt of Regional Taxes;
- c. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of the collection and preparation of materials intensification and extensification of Regional Taxes;
 - d. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and preparing the materials of analysis / assessment of the potential of the Regional Tax;
 - e. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and compiling the analysis materials / assessment of the implementation of local law products related to the Regional Tax;
 - f. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparing technical guidance materials services Regional Tax;
 - g. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
 - h. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
 - i. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
 - j. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
 - k. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
 - l. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
 - m. carry out other official duties given by the Leader in accordance with the duties of his position.

- 2) Tax Service System Development Sub Division has the main duty to collect and compile the materials in the framework of development of Local Tax Service system. To carry out these basic tasks, the Head of Subdivision Development of the Tax Service System has duty:

- a. to plan activities and budgets of Tax Service System Development Sub-Section in accordance with the laws and data sources available as guidelines for the implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy development system of the Local Tax Service;
- c. give instructions to the Executor / subordinate according to the field of duties of his position in rangka analisis / assessment of development and development of Regional Tax Information Management System;
- d. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and preparation of materials maintenance of Regional Tax Information Management System;
- e. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
- f. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- g. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- h. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- i. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- j. report the execution of duties to superiors in the field of their duties as a basis for policy making; and
- k. carry out other official duties given by the Leader in accordance with the duties of his position.

3) Monitoring, Evaluating and Reporting Sub Division has the task

of collecting and compiling materials in the context of monitoring, evaluation and reporting of Regional Taxes. To carry out the main task, Head of Monitoring, Subsection of Evaluation and Reporting Sub Division has a duty:

- a. plan activities and budgets Monitoring, Evaluation and Reporting Sub-Sectors in accordance with laws and data sources available as guidelines for implementation of activities;
- b. give instructions to the Executor / subordinate according to the field of duties of his position in the framework of preparing the material formulation and implementation of technical policy monitoring, evaluation and reporting of Regional Taxes;
- c. giving instructions to the Executor / subordinate according to the field of duties of his position in the framework of collecting and processing data in the framework of bookkeeping and reporting the realization of acceptance of other legitimate income;
- d. giving instructions to the Executor / subordinate according to the field of duties of his / her position in the framework of collecting and compiling research materials and control over the bookkeeping and recording Realization of Local Tax Revenue and other legitimate income;
- e. give instructions to the Executor / subordinate according to the field of duty of his position in the framework of research on accurate reporting of realization of Local Tax Revenue and other legitimate income periodically;
- f. giving instructions to the Executor / subordinate in the field of their official duties in the framework of preparing the material for the preparation of the report periodically (Monthly and Yearly) Target and Realization of Local Tax Revenue and other legal income collected;
- g. distributing duties to the Executor / subordinate according to the field of duties of his position in order to smooth the implementation of sub-field tasks;
- h. guiding the Implementer / subordinate according to the field of duties of his / her position to achieve the performance of his / her position;
- i. examining the work of the Executor / subordinate according to the field of duty of his position as an evaluation material;
- j. evaluate the execution of the Executor / subordinate duties according to the agreed performance targets in the framework of performance appraisal;
- k. submit suggestions and considerations to superiors as input for the smooth implementation of the task;
- l. report the execution of duties to superiors according to their field of duty as the basis for policy making.

f. Human Resources

Department of Local Tax Service Malang in carrying out its duties has 150 employees. The status of 150 employees per August 2016 consists of 107 civil servants and 43 non-civil servants as in table 6:

Table 6. Number of Employees according to Employment Status Year 2016

No.	Employment Status	Total (Person)
1	Civil Sevants	105
2	Non Civil Sevants	49
Total		154

Source : BP2D Malang, 2018

Based on the above data the majority of employees are civil servants. Employees at the Department of Local Tax Service Malang is divided into the specification group as in table 7:

Table 7. Number of Employees According to The Group

No.	Group	Total (Person)
1	Group I	2
2	Group II	37
3	Group III	58
4	Group IV	19
Total		105

Source : BP2D Malang, 2018

Tabel 8. Number of Employees According to Education Level

No.	Civil Servant Education Level	Total (Person)
1	<i>S2</i>	16
2	<i>S1</i>	38
3	<i>D3</i>	3

4	<i>SMA</i>	42
5	<i>SMP</i>	4
6	<i>SD</i>	2
Total		105

Source:BP2D Malang, 2018

In table 8 it can be seen that in the Department of Local Tax Service Malang has employees with education level *S1* amounted to 38 people with civil servant status. 16 people are employees who have *S2* education level. While the employees who have the level of primary education as many as 2 people with civil servant status. Employees who have junior high school education level of 4 people with civil servant status. Employees who have high school education level as many as 42 people with civil servant status. Employees who have *D3* education level only 3 person with civil servant status.

One that affects an employee's performance is formal education. Quality human resources can be seen from the education it has. The quality of human resources in BP2D is still minimal. When viewed from formal education, the level of education BP2D employees majority of high school graduates down. This still low level of education can affect employees' level of understanding of the tasks assigned to them.

B. Presentation of Research Focus Data

The focus of this research is :

1. Department of Local Tax Service Performance in Increasing Local Own Revenue in Malang.

a. Department of Local Tax Service Organizational Performance :

Description of how the performance of Department of Local Tax Service Malang in increasing Local Own Revenue, can be seen from the input (potential), process (implementation), output (results), benefits and impact.

1) Input (potential) Employee of Department of Local Tax Service Malang

a) Human Resources

Human resources have an important role in an organization to achieve a common goal. In Department of Local Tax Service Malang human resources have an important role for the running of service in BP2D, as expressed by Mrs. Surya Bettasari, SE., MM as Head of General Subdivision of BP2D Malang:

“Faktor-faktor yang mendukung dalam berjalanya kegiatan di BP2D Daerah adalah adanya sumber daya manusia serta sarana dan prasarana yang dimiliki oleh BP2D. Akan tetapi, pegawainya masih dirasakan kurang karena mayoritas pegawai yang ada di BP2D sudah tua-tua, jadi ya kurang aktif dalam menjalankan tugasnya” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile, according to Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision:

“Salah satu faktor pendukung dari kinerja BP2D tentu dari kinerja pegawai di BP2D. kalau kinerja dari pegawainya itu baik otomatis kinerja dari dinas juga baik” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the interview with Mr. Nanang Sweist S. Ab as Head of Registration Subdivision explained that:

“Faktor yang mempengaruhi dari kinerja BP2D itu salah satunya adalah pegawai atau SDM yang dimiliki. Jumlah pegawai tetap yang ada disini tergolong masih kurang untuk menangani pajak di Kota Malang, oleh karena itu BP2D menerima Tenaga Pendukung Profesional Kegiatan/TPOK untuk membantu mengerjakan tugas kami. Namun kita anggap sampai saat ini juga belum mencukupi. Kembali lagi potensi pajak di Kota Malang itu sangat besar. Ketika banyak yang harusnya bisa tertagih jadi terlewatkan tertagih, atau tidak maksimal dalam menagih dan menggali potensi pajak yang ada di Kota Malang” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the interview with Mr. M. Samsul Hidayat as Tax Service System Development Subdivision of BP2D Malang explained that:

“Untuk faktor yang mempengaruhi adalah Sumber Daya Manusia karena yang memiliki kewajiban untuk menjalankan tugasnya. Sebenarnya jumlah pegawai disini masih belum cukup untuk melakukan tugas yang ada, maka dari itu setiap tahunnya BP2D melakukan rekrutmen TPOK/Tenaga Pendukung Operasional Kegiatan dan kadang masih kurang pegawainya” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the results of these interviews can be concluded that human resources have an important role in berjalanya activities in Department of Local Tax Service Malang. This statement is supported by table 6 on page 84 where the number of civil servants amounted to 106 people and non-civil servants amounted to 49 people.

From the data obtained to create quality human resources that can be seen from :

I. Formal Education

Formal education becomes an element that must be considered and should be in priority because in creating quality human resources can be seen from the level of education it has. Can be concluded the higher level of education owned by a

person the higher the quality of one's resources. From the data obtained shows that the level of education BP2D employees are still considered not good because the majority of high school graduates down. This still low level of education can affect employees' level of understanding of the tasks assigned to them.

But from the results of field observations indicate that the performance of these employees is good enough and able to carry out their duties, other than that the employees have been able to provide clear information to the taxpayer. This is appropriate delivered by Mrs. Surya Bettasari, SE., MM as Head of General Subdivision BP2D Malang:

“Memang tingkat pendidikan ada korelasinya dengan kinerja pegawai dan untuk pegawai di BP2D tingkat pendidikannya sudah cukup baik karena mereka mampu mengerjakan tugas sesuai jobdesk mereka. Apalagi mereka sering diberikan pelatihan kerja” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

The performance of *BP2D* employees is quite good, but the number of employees is still less so it has not been able to handle all taxes in Malang. In addition, when the due date to pay taxes will occur at the counter queue of payment because the number of employees at the counter is limited and required the number of employees to be assigned to the field to conduct tax socialization activities. From table 6 page 84 on the number of *BP2D* employees, it can be seen that *BP2D* requires outsourcing employees (contract laborers) who are quite a lot to help handle the local taxes in Malang. This is supported by the statement of Mr. Nanang Sweist, S.Ab as the Head of Registration Subdivision :

“Tingkat pendidikan pegawai di BP2D sudah cukup baik, tapi jumlah pegawai lapangan masih kekurangan SDM, untuk itu BP2D merekrut banyak pegawai tenaga kontrak untuk menambah jumlah SDM yang turun ke

lapangan dan dibidang administrasi. Tapi kemampuan sosialisasi pegawai tenaga kontrak itu masih kurang”(Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile, Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision said that the quality of human resources in BP2D is still lacking. This statement was submitted during the interview as follows:

“Kalau jumlah pegawai untuk menangani seluruh pajak se Kota Malang tentu kita masih kekurangan sumber daya manusianya. Dari segi kualitas, ada sumber daya yang kurang mumpuni mungkin karena pengalaman dan pengetahuannya masih kurang tentang pajak. Terutama kekurangan pegawai yang ditugaskan turun ke lapangan.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on an interview with Mrs. Riris as the taxpayer on explaining that:

“Segi pelayanan yang diberikan oleh para pegawainya sudah baik dan memuaskan. Kerjanya cepat, dan pegawainya juga ramah-ramah orangnya. Pegawainya mengarahkan bagaimana prosedurnya untuk membayarkan pajak.” (Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

The statement is supported with a statement from Mrs. Dayuk as the taxpayer that is :

“Kinerjanya sudah baik, pelayanan yang diberikan oleh pegawai BP2D juga baik. Ketika memberikan sosialisasi juga mudah dipahami. Akan tetapi untuk pegawainya yang masih muda dan baru ketika memberikan informasi masih kurang jelas, jadi mereka masih sering tanya ke pegawai yang lebih senior.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

This is supported by a statement from Mrs. Devitna as Taxpayer is:

“Untuk kinerja dari pegawainya sudah cepat. Selain itu mereka juga ramah-ramah. Kalau untuk sosialisasi dari pegawainya belum menyeluruh mas, maksudnya belum semua pegawai itu bisa ngasih sosialisasi ke kita. Cuma pegawai-pegawai tertentu aja yang ngasih sosialisasi. Soalnya banyak pegawai yang baru disini jadi mungkin mereka belum terlalu tahu tentang

sosialisasi-sosialisasi gitu.” (Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the results of direct interviews with some taxpayers from the Mall, it is true that BP2D employees are able to provide a good explanation to the taxpayers. In addition BP2D employees are also friendly to the Taxpayers and able to complete their work quickly. The truth of the above, justified by the findings of researchers in the field are as follows :



Figure4.Local Tax Service Process

Source : Researcher Documentation

Based on the results of interviews and observations made In BP2D to employees are very friendly and able to carry out their duties properly, openness to provide information is also very helpful and facilitate researchers in conducting interviews conducted. In addition, according to some service users have been able to provide explanations to the WP and the nature of employees are friendly in providing services. According to the researchers themselves can conclude that the performance depends on the ability of employees to complete the task.

II. Training

Training is any attempt to improve the worker's performance on a particular job that he or she is responsible for, or a job that has something to do with the work. Training is one of the human resource development that is done and required by the whole organization. Training is intended to generate competence in using the skill set to achieve the standard at a predetermined condition in various occupations and occupations. As expressed by Ms. Surya Bettasari, SE., MM as Head of Sub Division General of Department of Local Tax Service :

“BP2D mengadakan beberapa pelatihan, misalkan melakukan Bimbingan Pengembangan Kapasitas Pegawai/BIMTEK yang dilakukan selama 1-2 hari, ada juga pelatihan berupa pengembangan kapasitas SDM yang kegiatannya dilaksanakan oleh BP2D sendiri setiap tahunnya. Jadi dengan adanya kegiatan itu bisa membantu mengembangkan kualitas SDM/pegawai yang ada di BP2D agar bisa menjalankan tugasnya dengan baik. Selain itu, ada pelatihan kedisiplinan berupa pembinaan fisik dan keterampilan pemungutan pajak dengan mendatangkan instruktur dari TNI supaya pegawai BP2D benar-benar siap menghadapi realitas dilapangan saat melakukan penagihan pajak” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Here is the form of training that researchers have obtained when the research is in the form of training photos of local tax audit. This activity aims to improve the ability of tax officials in Malang in conducting inspection and collection of tax objects. With qualified personnel in conducting the examination, it is expected to know in real terms how much taxes should be paid by the taxpayer.



Figure 5. Training *BIMTEK*Local Tax

Source : BP2D Malang

Here are the details of the training conducted by BP2D Malang in 2016 :

Table 9. Training at BP2D Malang 2016

No	Activities	Participant	Time
1	Technical Preparation Training SKP	8 person	8-13 January 2016
2	Communication Training in Teamwork	113 person	3-30 March 2016
3	Training on Human Resource Management	113 person	11-16 April 2016
4	Training on Management and Administration	12 person	14-20 May 2016
5	Administrative and Taxation Training	40person	16-18 June 2016
6	Outbound All BP2D Employees	189 person	6-8 August 2016
7	Marines train discipline and mental staff BP2D through PBB	182 person	5 June 2016

Source : BP2D Malang, 2018

Based on table 9 above that there are seven training and training activities conducted by BP2D Malang. It is expected that this training and training can create employees who have capability capable, productive, professional, reliable and have high achievement. In addition to the outbound and training by marines this can build the character of the employees, not just only have high motivation but also high spirit in providing services. Based on interview with Mrs. Dra. Wiwik Yosoniati as Head of the Determination Subdivision explained that:

“Biasanya dari BP2D ada semacam briefing yang dilakukam sebagai salah satu persiapan sebelum para pekerja melakukan kegiatan yang turun ke lapangan dan ada pendampingan juga agar tidak terjadi kesalahan dalam menjalankan tugasnya. Selain itu BP2D juga mengadakan pelatihan dan kursus yang melibatkan pihak ketiga juga”. (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).



Figure 6. Briefing done by BP2D employees

Source : Previous Research

Based on the picture above can be seen that one BP2D employee provide briefing and briefing to the Field Implementation Unit / UPL when going to

conduct the taxpayer of the taxpayer who has not paid taxes. Based on the interview with Mr. Nanang Sweist S.Ab as the Head of Registration Subdivision explained that:

“Disini ada kegiatan rutin setiap hari jumat yaitu pembinaan fisik dan pemungutan keterampilan pajak dan mendatangkan instruktur dari anggota TNI. Tujuannya ya supaya para pegawai BP2D tetap segar bugar, kan ada kegiatan olahraganya juga dan tujuan utama dari pelatihan ini supaya para pemungut pajak benar-benar siap menghadapi realitas lapangan/latihan mental. Kan sering kita diomelin, dicaci maki, diprotes juga sama para wajib pajak karena ditagih untuk bayar pajak.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).



Figure 7. Training conducted by marines

Source : Researcher

Based on these interviews it can be concluded that employees need training to produce good performance. The training affects the ability of employees in understanding the task according to their respective jobdesk. So the trainings given to employees have a goal is to make a more skilled employees, mentally strong, and make it effectively and efficiently in doing a job.

b) Facilities and Infrastructure

Facilities and infrastructure are all things that can be used as a tool in achieving the purpose or purpose and is the main support the implementation of an activity. BP2D Malang in carrying out its duties is also supported by adequate facilities and infrastructure. In the absence of adequate facilities and infrastructure, BP2D performance is not optimal.

As explained by the Mrs. Surya Bettasari, SE., MM as Head of General Sub division:

“Untuk sarana dan prasarana yang ada disini menurut saya sudah lengkap, tetapi banyak yang bermasalah/rusak.dinas memiliki peralatan elektronik yang meliputi komputer jaringan sebanyak 2 unit, printer sebanyak 140 unit, komputer PC sebanyak 150 unit, laptop/notebook sebanyak 30 unit, untuk membantu kegiatan operasional. Sedangkan kendaraan terdiri dari roda 4 sebanyak 19 buah, 1 kendaraan skylift, dan roda 2 sebanyak 53 buah. Adanya kendaraan ini memang sangat mendukung kelancaran pelaksanaan operasi terhadap penagihan pajak daerah, tapi tenaga kerja yang ada disini jugayang masih kurang dan masih ada beberapa peralatan yang sudah tidak berfungsi/rusak.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).



Figure 8.Skylift used in tax control

Source :Previous Reserach

Based on the figure above can be seen skylift vehicle owned by BP2D Malang. Skylift is in good condition and can function normally. With the skylift can help the performance of BP2D employees to conduct pengertiban local taxes in the city of Malang. In an interview with Mr. M. Samsul Hidayat as Tax Service Development System Subdivision explained that :

“Sarana dan prasarana yang dimiliki BP2D sudah cukup banyak dan mampu mendukung kinerja pegawai disini, terutama dalam proses penarikan pajak. Disini sudah ada kendaraan berupa mobil dan sepeda motor yang digunakan untuk pelayanan dan sebagai penagih kepada wajib pajak yang tidak mau membayar pajak. Sampai saat ini masih banyak wajib pajak yang menunggak pajak.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision adding, that:

“Sarana dan prasarana yang ada dan disediakan dari BP2D semua sudah lengkap mbak. Mobil dan motor semuanya lengkap sudah ada, setiap bidang juga memiliki kendaraan dinas. Jadi itu sangat membantu kita dalam melaksanakan tugas, apalagi dengan target pajak daerah yang terus meningkat tiap tahunnya, jadi harus mencukupi juga sarana dan prasarana yang disediakan.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Kantor Pelayanan Pajak Daerah Kota Malang).

Meanwhile based on Mrs. Ririsas taxpayer :

“Menurut saya kalau disini infrastrukturnya sudah baik. Ruang tunggu nya nyaman, tidak pengap, kursi yang tersedia di ruang tunggu juga cukup banyak. Ada ruang tunggu khusus anak-anak bermain biar tidak nangis. Jadi kalau ada wajib pajak yang bawa anaknya kan jadi gak rewel gitu .” (Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

Mrs. Dayukas taxpayer:

“kalau sarana yang ada disini sudah cukup ya. Yang paling penting itu sarananya bisa berfungsi dengan baik. Kalau lengkap tapi gak bisa berfungsi ya untuk apa. sebagai wajib pajak yang penting tempat buat nunggunya nyaman, bersih, alat-alat elektronik yang dipakai buat melayani wajib pajak itu berfungsi dengan baik. Jadi untuk sarana yang ada BP2D oke

mbak.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

Same thing explained by Mrs. Devitnaas taxpayer said that:

“Infrastruktur disini sudah cukup baik dan mampu untuk menunjang dari kinerja BP2D itu sendiri”(Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

It can be concluded that the facilities and infrastructure in BP2D Malang is complete and qualified to perform public services. With the condition of facilities and complete infrastructure employees can perform their duties in accordance with the field so that the performance of employees can be better.

c) Regulation

Regulation is rules that used by Department of Local Tax Service Malang in order to do their performance. In Department of Local Tax Service Malang used Local Regulation No. 16 Year 2010 about Local Tax. Based on interview with Mr. Nanang Sweist S. Ab as Head of Subdivision of Registration :

“BP2D melakukan tugasnya sesuai dengan peraturan yang ada yaitu berdasarkan Perda Kota Malang No. 16 Tahun 2010 tentang Pajak Daerah yang didalamnya sudah mengatur mengenai objek pajak parkir. Tapi, dilapangan memang masih ada masalah dengan beberapa calon wajib pajak terutama dari pihak Giant yang tidak mau mendaftar sebagai WP dengan alasan mereka tidak menerapkan tarif parkir untuk para pengunjungnya. Jadi katanya ya tidak ada omset dari parkir,” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

And based on interview with Mrs. Riris as Taxpayer :

“Pihak kami memang gak mau daftar mbak soalnya kan Giant ini parkirnya gratis buat pengunjung. Jadi kita ya tidak ada penghasilan dari parkir pengunjung Giant ini, lalu apa yang mau dibayarkan mbak. Apalagi dari pihak pusat/Jakarta memang tidak mau daftar sebagai WP karena di kota-kota besar lainnya Giant untuk parkirnya tidak terdaftar sebagai wajib pajak.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

Based on the above interviews it can be concluded that the implementation of Local Regulation of Malang No. 16 Year 2010 is not optimal and the performance of BP2D should be increased because still there are some Shopping Centers that still not registered as taxpayer. It is automatically will decrease the Local Revenue in Malang.

2) Process (implementation) Services of Department of Local Tax Service Performance Malang

a) Terms of Tax Payment

Terms of service, ie the technical and administrative requirements required to obtain service according to the type of service. Terms of Payment Tax is in Standard Operating Services BP2D Malang that is in Appendix 1.

Tax Payment Terms :

1. Taxpayer Takes:

- Photocopy of ID card
- Local Tax Notification (SPTPD)
- Bringing the recapitulation of the proceeds of sale (especially the parking tax), the recap of tax data and other supporting documents may be a ticket or a Sales Report Recapitulation.

2. Tariff / Service Fee

- The amount of fees in accordance with the number of SKPD set in SKPD.

Based on Mrs. Ririsas Taxpayer :

“Persyaratan yang dibutuhkan mudah, disuruh membawa laporan omset penjualan sama Surat Pemberitahuan Terhutang Pajak Daerah yang

dikirim dari BP2D.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

This is the same as what Mrs. Dayuk said :

“Kita dikirim surat SPTPD dari BP2D, setelah itu kita bayar ke Bank Jatim yang ada di BP2D.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

Meanwhile, based on Mrs. Devitna :

“BP2D ngirim SPTPD ke kita, kemudian kita disuruh bayar ke BP2D sekaligus membawa laporan omset satu bulan terakhir.”(Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the above interviews it can be concluded that the requirements required are quite easy because these requirements can be met by the taxpayer and not incriminate the taxpayers who will pay taxes.

b) Tax Payment Procedure

Procedure of service, namely ease of service stages given to the public or taxpayers. Tax Payment Procedures are available on BP2D Service Operational Standards in Malang attached in Appendix 1.

1. Taxpayer Brings the turnover Bon Bill and SPTPD
2. Then BP2D Officer to match whether the bonbill has been in accordance with the turnover, if it is appropriate to be included in the data card and made a Local Tax Assessment Letter (SKPD)
3. Officers Make Local Tax Payment Letters (SSPD)
4. Taxpayers pay taxes in the value listed in SKPD in Bank Jatim available in the Department of Revenue Malang. (If SKPD is not or less paid after the due date of payment, shall be liable to administrative sanctions in the form of interest of 2% per month and billed through STPD).

5. Taxpayer receives proof of payment of Local Tax from Bank Jatim.

According to Mrs. Riris as taxpayer :

“Prosedur pembayaran pajaknyasedikit rumit. Setelah membawa SPTPD ke dalam dinas, lalu baru bayar dulu ke Bank Jatim setelah itu menyerahkan bukti pembayaran yang dari Bank Jatim tadi ke dalam dinasnya lagi.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

This is similar to what is said by Mrs. Dayuk as Tax Payer :

“Untuk proses pembayaran pajak di BP2D agak ribet mbak karena kita harus bolak-balik dulu, tapi kalo bayar di Bank Jatimnya enggak soalnya kita tinggal bayar tagihan pajaknya aja.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

Meanwhile, according to Mrs. Devitna as the taxpayer :

“Prosedur pembayaran pajaknya disini sudah cukup mudah karena kita selaku wajib pajak langsung bayar ke bank Jatim yang sudah tersedia di dalam BP2D.”(Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the results of these interviews can be concluded that the tax payment procedure in BP2D Malang is easy enough because the availability of Bank Jatim in BP2D. So that taxpayers can directly pay the tax bill there. But there are still shortcomings in the procedure of paying local taxes in BP2D among them is the taxpayer must back and forth to BP2D to submit proof of payment from Bank Jatim.

3) Output (Outcome) Service of Department of Local tax Service to the community satisfaction level that includes:

a) Service Speed

Meant that the implementation of public services can be completed within a given timeframe. This is supported by the ability of the authorities in completing

service tasks, and adequate facilities. In accordance with service standards owned by BP2D Malang that is at 1 that the time period of completion of local tax payment service is 10 minutes while for field verification is three days. Taxpayer response regarding the speed of service provided by BP2D is as follows :

According to Mrs. Riris as the taxpayer :

“Kalau proses pelayanan yang dilakukan oleh petugas BP2D sudah cepat, ya biasanya antri di Bank Jatimnya yang agak lama.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

According to Mrs. Dayuk as the taxpayer:

“Proses pembayaran yang dilakukan oleh petugas BP2D disini sudah lumayan baik dan cepat.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

AndAccording to Mrs. Devitna as the taxpayer :

“Pelayanannya sudah cukup cepat disini, paling ya antri cuma sebentar. Biasanya di Bank Jatimnya yang agak lama antri mbak.”(Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the results of these interviews can be concluded that the provision of services performed by BP2D officers are fast, means the quality of service apparatus has included satisfying the society.

b) Certainty of Service Charge

The certainty of the intended service charge is in accordance with the cost that has been set and paid according to the provisions that exist without any additional other. Based on interviews with Mrs. Surya Bettasari, SE., MM as Head of General Sub-division on the certainty of the cost of services provided in Department of Local Tax Service Malangis as follows :

“Jumlah biaya pajak sesuai dengan yang tertera di SKPD itu.Sedangkan besaran biaya pajak yang akan dibayar itu tadi ya sesuai dengan perda No

16. Tahun 2010 dan Perda No 2. Tahun 2015. Di BP2D ini tiada ada dan tidak memungut biaya layanan mbak, jadi semuanya gratis.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan pelayanan Pajak Daerah Kota Malang)

The same thing was also conveyed by Mrs. Dra. Wiwik Yosoniati as Head of Subdivision in BP2D Malang :

“Biaya pajak daerah itu sudah ditetapkan sesuai dengan peraturan. Jumlah besarnya pajak yang ditetapkan itu ada di Perda No 16 Tahun 2010 sama Perda No. 2 Tahun 2015. Jadi jumlah besarnya pembayaran pajak bukan BP2D yang menentukan. Kalau biaya yang lain ya gak ada mbak, itu menyalahi aturan kalau ada biaya layanan..” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the results of the above interviews, the information obtained by researchers from some of the above sources, it is true that the cost given by BP2D has been in accordance with Regulation Act. 16 of 2010 and Regulation Act. 2 of 2015. This is in accordance with brochures issued by BP2D that the cost / which is listed on the brochure has been in accordance with Regulation Act. 16 of 2010 and Regulation Act. 2 of 2015. The brochure is as follows :

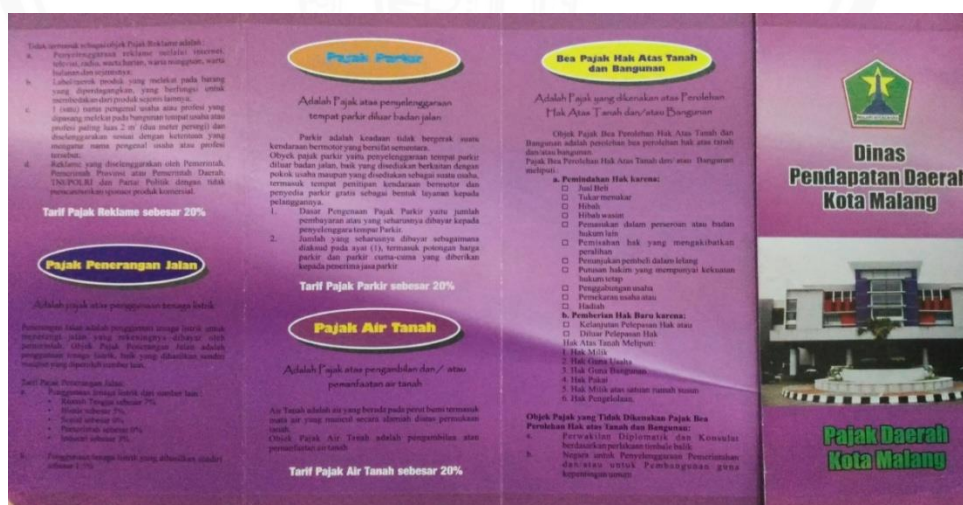


Figure 9. Brochure Tax Tariff BP2D Malang

Source : Researcher

While the taxpayer's response regarding the certainty of service fees provided by Department of Local Tax Service Malang are as follows :

According to the statement of Mrs. Riris as the taxpayer:

“Biayanya sih sesuai dengan tagihan yang ada di SKPD, tidak ada biaya pelayanannya. Tapi kalau kita telat bayar baru kena denda disini(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

Based on Mrs. Dayuk as the taxpayer :

“Biaya pembarayan sudah sesuai dengan tagihan yang tertera.Di BP2D tidak ada biaya yang lainnya lagi kok mbak.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

And according Mrs. Devitna as the taxpayer :

“Bayarnya ya sesuai dengan surat ketetapan yang di kasihkan ke kita. Tidak ada pungutan-pungutan lainnya.”(Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the results of these interviews can be concluded that the certainty of service charges at Department of Local tax Service Malang is good and in accordance with the provisions of the Regulation of Malang Act 16 year 2010 and the Local Regulation of Malang Act 2 year 2015 on Local Tax.

4) Benefit from Services of Department of Local Tax Service Malang which includes:

a) Community Participation Level

The intended Community Participation is the participation or involvement of the community consciously to make tax payments. Based on an interview with Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision of the community participation level in Department of Local Tax Service Malang as follows:

“Sementara ini tingkat partisipasi dari wajib pajak pihak mall cukup baik, mungkin karena denda yang diberikan cukup tinggi. Tapi walaupun seperti itu masih ada saja para wajib pajak yang telat lapor, jadi ya tetap kena denda 2% setiap bulannya.”(Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang)

The same is also conveyed by Mr. Nanang Sweist S. Ab as Head of

Subdivision of Registration :

“Pertama, Tingkat kesadaran dari pihak wajib pajak masih kurang, sehingga banyak yang menunggak pajak. Kedua, wajib pajak juga ada yang melaporkan pembayaran pajaknya tidak sesuai karena sekarang ini juga menerapkan sistem Self Assesment dan itu berpengaruh terhadap jumlah pembayaran pajak yang dibayarkan yang juga menyebabkan pendapatan dari pajak parkir berkurang.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile, according to Mrs. Surya Betasari SE., MM as Head of General

Subdivison BP2D Malang :

“Memang masih banyak wajib pajak yang bandel dantidak mau membayarkan kewajiban pajaknya dengan tepat waktu. Sehingga kita harus memberikan peringatan dan menghubungi wajib pajak tersebut.Disamping itu, masih banyak masyarakat yang belum mendaftar sebagai wajib pajak. Untuk melakukan pendataan terhadap wajib pajak baru tersebut kita melakukan door to door atau mendatangi objek pajaknya secara langsung.”(Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on interviews with some employees in BP2D it can be concluded that the level of public participation (taxpayers) in Malang is still low. This can be seen from the number of taxpayers who pay taxes not in accordance with the tax payable actually. In addition, there are still many objects of tax in Malang that have not been registered as a taxpayer. It can affect the local tax revenues in Malang, so the weakness of the taxpayer's awareness can hamper local tax revenues.

b) Community Satisfaction Level

Community Satisfaction Level is a community response to services that have been given at the same level of results or beyond the perception of the community. Taxpayer response to the services provided by Department of Local Tax Service Malang is as follows :

Mrs. Riris as the taxpayer said :

“Segi pelayanan yang diberikan oleh BP2D sudah cukup baik, pegawainya ramah-ramah, pelayanannya juga cukup cepat. Cuma itu tadi mbak proses pembayarannya memang agak ribet jadi kita sebagai wajib pajak harus bolak-balik dulu.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 09.19 WIB di Giant Ekstra Sawojajar).

Mrs. Dayuk as the taxpayer said:

“Kalau pelayanannya di BP2D sudah cepat, biasanya antri panjang waktu jatuh tempo bayar pajak mbak. Tapi kai sebagai WP gak keberatan antri karena ruang tunggu juga cukup nyaman. Cuma prosedur bayarnya aja kalau bisa dipermudah biar kita gak bolak-balik aja.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

And Mrs. Devitna as the taxpayer said:

“Pelayanan buat bayar pajaknya sudah baik. Proses buat bayarnya juga gak merepotkan. Para pegawainya juga sering ngasih informasi dan mengarahkan WP yang kita belum paham atau belum tahu.” (Hasil wawancara pada tanggal 13 Februari 2018 pukul 11.15 WIB di Mall Olympics Garden).

Based on the results of these interviews can be concluded that the level of community satisfaction of services provided by BP2D Malang is good and people are satisfied with the services provided by employees in BP2D Malang.

5) Impact from Services of Department of Local Tax Service Malang that includes:

a) Increasing of Local Tax Revenue

Increasing of local tax revenues is one indicator of the performance success BP2D itself. Because Department of Local Tax Service Malang has the main duty to conduct the collection of local taxes. In the case of local tax collection, the realization of local tax revenues in Malang always increases every year. This can be seen from the following table :

Table 10. Increasing Local Tax Acceptance of Malang 2012-2016

Year	Local Tax Acceptance	Increasing (%)
2012	159.124.119.793	126,96%
2013	238.499.748.162	149,88%
2014	278.885.189.549	116,93%
2015	316.814.967.740	113,60%
2016	374.641.673.420	118,25%

Source: BP2D Malang, 2018

Based on interview with Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision is as follows:

“Realisasi pajak daerah Kota Malang hampir selalu melebihi dari target awal yang telah ditentukan. Setiap tahunnya realisasi pajak daerah Kota Malang meningkat dari tahun-tahun sebelumnya. Peningkatan tersebut terjadi karena adanya upaya intensifikasi dan ekstensifikasi yang dilakukan oleh BP2D Kota Malang” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Mr. M. Samsul Hidayat as Tax Service Development System Subdivision of BP2D Malang explained that:

“Perihal target yang selalu meningkat setiap tahunnya itu ditentukan oleh DPRD atas dasar perkembangan potensi pajak yang ada di Kota Malang semakin berkembang pesat. Jadi terget yang ditentukan juga harus sesuai perkembangan dan potensi pajaknya. Dengan adanya target yang meningkat itu, BP2D harus terus melakukan upaya-upaya agar target selalu tercapai bahkan realisasinya harus melebihi target. Salah satu upaya yang kita lakukan yaitu menggali potensi pajak yang baru dan yang belum terdaftar sebagai wajib pajak. (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Mrs. Surya Bettasari, SE., MM as Head of General Subdivision BP2D Malang said that :

“Target penerimaan pajak di BP2D selalu terpenuhi dan surplus. Maka dari itu, para pegawai UPT/Unit Pelaksana Lapangan disini juga harus sering turun ke Lapangan untuk mencari wajib pajak baru dan melakukan kontrol ke mall-mall yang melakukan sistem perhitungan sendiri untuk tarif parkirnya. Selain itu kami juga melakukan sosialisasi dan penagihan pajak secara langsung ke pihak-pihak yang belum melaporkan dan membayarkan pajaknya.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the results of interviews and data obtained it can be concluded that the local tax revenue in Malang increased each year. In addition, the realization of local taxes in Malang also always managed to exceed the initial target that has been determined.

b. Financial Performance of Department of Local Tax Service Malang

1) Effectiveness of Local Financial Performance in managing PAD

a) Target dan Realization of PAD

In this study to see the effectiveness of local financial performance in good PAD management, it is necessary to calculate the effectiveness of PAD management whose value can be measured by the criteria of financial performance assessment in accordance with the conceptualized by Mahsun (2006: 187) in table 5, as measured by comparison of realization and target.

By observing the data on the achievement of the target and realization of PAD Malang for the last five years from 2012 until 2016 shows the tendency of always reaching the target or even exceeding the target set. Here is the level of

achievement effectiveness of financial performance in the city of Malang from 2012 until 2016.

Tabel 11. Effectiveness PAD in Malang Year 2012-2016

Year	Target	Realization	Achievement Level (%)	Effectiveness
2012	200.671.267.208	230.295.806.326	114,76%	Effective
2013	298.417.399.028	317.850.423.684	106,51%	Effective
2014	347.817.577.770	372.550.096.292	107,11%	Effective
2015	353.427.746.711	424.938.755.520	120,23%	Effective
2016	387.431.571.214	477.332.655.844	116,75%	Effective

Source : BPKAD Malang, 2018

From table 11 above, it is known that the level of achievement of financial performance effectiveness in PAD management in Malang in 2012-2016 that the realization of PAD has met the target with percentage above 100% and said to be effective. In 2012 the level of achievement of the effectiveness of financial performance in the management of PAD of 114.76% in 2013 decreased to 106.51% but in 2014 rose to 107.11% after that in 2015 experienced a high enough increase to 120.23 %, whereas in the year 2016 had a slight decrease, that is reaching level equal to 116,75%.

b) Target Effectiveness and Realization of Local Taxes

The description of the composition of local taxes in Malang, among others, by the tax contribution BPHTB, which from year to year give the largest contribution to the amount of local tax revenue. The subsequent local tax contribution that nominally promises its revenue is the building tax as the second largest local tax revenue. Other taxes that are prospective to be improved are the parking taxes that are expected to be greater in line with the progress of Malang..

Result of calculation of effectiveness ratio of local tax revenue in Malang year 2012-2016 shown by following table.

Table 12. Effectiveness of Local Tax Malang Year 2012-2016

Year	Target	Realization	Effectiveness
2012	125.828.676.756	159.124.119.793	126,46%
2013	210.287.899.778	238.499.748.162	113,41%
2014	260.000.000.000	278.885.189.549	107,26%
2015	272.000.000.000	316.682.819.170	116,47%
2016	301.000.000.000	374.641.673.420	124,47%

Source : BP2D Malang, 2018

From table 12 above, it is known that the level of achievement of the target targets and the realization of local taxes in Malang in 2012-2016 reached 107.26% up to 126.46% of the data obtained shows that the established target is realized every year. In 2012, the highest level of target achievement and realization of local tax for the last 5 years is 126.46% in 2013 and 2014 has decreased continuously, ie sequentially to 113.41% and 107.26%, while in 2015 rose to 117.28% and in the last year 2016 experienced a rapid increase in the achievement of target effectiveness and realization of local taxes of 124.46%.

Local tax revenues from year to year overall nominally increased, but when viewed from the percentage of the level of pencapaiannya decreased. Based on interview with Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision is as follows :

“Kalau target pajak daerah bukan BP2D yang menentukan, BP2D hanya menupayakan agar target pajak daerah selalu tercapai. Kita melakukan upaya intensifikasi dan ekstensifikasi, seperti melakukan jemput bola, pemantauan tempat usaha wajib pajak dan pendataan wajib pajak baru. Dengan begitu kita selalu melebihi target pajak daerah yang ditetapkan.”(Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the interview with Mr. M. Samsul Hidayat as Sub-field Development of Tax Service System added is as follows:

“Untuk realisasi pajak daerah Kota Malang hampir setiap tahunnya melebihi target awal yang telah ditentukan dan mengalami peningkatan dari tahun ke tahun. Apalagi karena adanya perkembangan lingkungan yang mendorong munculnya potensi pajak baru yang ada di Kota Malang.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

The following describes the rate of development of the contribution of the realization of Parking tax on the realization of local taxes in the city of Malang in 2012-2016. To facilitate the observation on the development of the contribution rate of the realization of Parking tax in Malang in 2012-2016 can be described in the following table:

Table 13. Development of Contribution of Parking Parking Realization to Realization of Local Tax in Malang year 2012-2016

Year	Parking Tax	Local tax	Percentage
2012	1.796.786.915	159.124.119.793	1,12%
2013	1.939.867.733	238.499.748.162	0,81%
2014	2.643.529.810	278.885.189.549	0,94%
2015	3.662.965.828	316.682.891.170	1,15%
2016	4.881.697.730	374.641.673.420	1,30%

Source : BP2D Malang, 2018

From table 13 above, it is known that the development of contribution rate of parking realization in Malang in 2012-2016 reaches only 0.81% to 1.30% of the data obtained shows that the contribution rate of realized parking tax on realization of local taxes is still very low. In 2012 the contribution rate of parkingtax realization of 1.12% in 2013 decreased its contribution by only 0.81%. While in 2014 rose to 0.94% and in 2015 experienced a rebound of 1.15%, in the

last year 2016 increased even larger than from previous years that is equal to 1.30%.

c) Effectiveness of Local Tax to total PAD

The following describes the level of development contribution of local tax realization on the realization of Local Revenue in the city of Malang year 2012-2016. To facilitate the observation on development of local tax realization contribution level in Malang year 2012-2016 can be described in the following table.

Table 14. Development of Local Tax Realization Contribution to Local Own Revenue in Malang Year 2012-2016

Year	Local Tax	Local Own Revenue	Percentage
2012	159.124.119.793	230.295.806.326	69,09%
2013	238.499.748.162	317.850.423.684	75,03%
2014	278.885.189.549	372.550.096.292	74,85%
2015	316.682.891.170	424.938.755.520	74,52%
2016	374.641.673.420	447.332.655.830	83,75%

Source: BP2D Malang, 2018

From table 14 above it is known that the development of the contribution rate of realization of local taxes on the realization of PAD in Malang in 2012-2016 reached 69.09% to 83.75% and the data obtained showed that in general the contribution rate of realization of local taxes on the realization of PAD shows increase until 2013 and 2016. In 2012 the contribution rate of realization of local taxes on realization of PAD by 69.09%. In 2013 increased by 75.03%. In 2014 and 2015 decreased, that is equal to 74.85% and 74.52%. In 2016 the contribution rate of realization of local taxes on realization of PAD experienced a fairly high increase of 83.75%.

2) Degree of Fiscal Decentralization

To know the performance of local finance in Malang can be done by way of analysis of fiscal decentralization degree, this analysis besides useful to know local finance performance at the same time also can be used as indicator of level of dependence at fund balancing from center, that can be determined from amount of PAD area concerned, conceptualized by Musgrave and Musgrave (1991: 68).

a) Effectiveness of PAD to total local revenue (*TPD*)

The following describes the level of achievement of local financial performance of PAD to TPD in Malang year 2012-2016. To facilitate the observation on the level of achievement of local financial performance of PAD to TPD in Malang 2012-2016 can be described in the following table.

**Table 15. Level of Local Financial Performance of PAD to TPD in Malang
Year 2012-2016**

Year	Pendapatan Asli Daerah	Local Revenue	Percentage
2012	230.295.806.326	1.356.369.664.505	16,97%
2013	317.850.423.684	1.524.846.569.429	20,84%
2014	372.550.096.292	1.720.681.332.655	21,65%
2015	424.938.755.520	1.829.072.689.710	23,23%
2016	447.332.655.830	1.711.185.350.080	26,14%

Source : BPS Malang, 2018

From table 15 above is known that the level of achievement of local financial performance of PAD to TPD in Malang in 2012-2016 reached 16.97% to 26.14% and from the data obtained showed that the level of achievement of local financial performance from PAD to TPD has increased every year. In 2012 to 2014, there is a continuous increase of 16.97%, 20.84% and 21.65% respectively. Similarly, in 2015 and 2016 also increased to 23.23% and 26.14%.

b) Effectiveness of BHPBP (Profit Sharing Tax and Non-Tax) to total local revenue

The following describes the level of achievement of local financial performance of BHPBP to TPD in Malang year 2012-2016. To facilitate the observation on the level of achievement of local financial performance from BHPBP to TPD in Malang 2012-2016 can be described in the following table.

Table 16. Level of Local Financial Performance from BHPBP to TPD in Malang year 2012-2016

Year	Tax and Non-Tax Revenue Sharing	Local Revenue	Percentage
2012	129.845.905.179	1.356.369.664.505	9,57%
2013	86.734.213.965	1.524.846.569.429	5,68%
2014	116.943.891.132	1.720.681.332.655	6,79%
2015	87.015.121.780	1.829.072.689.710	4,75%
2016	114.874.411.980	1.711.185.350.080	6,71%

Source: BPS Malang, 2018

From table 16 above, it is known that the level of achievement of financial performance from BHPBP to TPD in Malang 2012-2016 reaches 4.75% to 9.57%, and from the data obtained shows that generally the level of achievement of local financial performance of BHPBP against TPD is fluctuating. In 2012 the level of achievement of local financial performance from BHPBP to TPD is 9.57%. After that in 2013 it decreased to 5.68%. In 2014, it increased again to 6.79%, in 2015 again decreased to 4.75% and in 2016 again increased to 6.71%.

c) Effectiveness of Central Contribution to total local revenue

The following describes the level of achievement of local financial performance of the central contribution to TPD in Malang in 2012-2016. To facilitate the observation on the level of achievement of local financial performance of the central contribution to TPD in Malang 2012-2016 can be described in the following table.

Table 17. Level of Local Financial Performance of Central Donation to TPD in Malang year 2012-2016

Year	Donation (DAU+DAK)	Local Revenue	Percentage
2012	687.825.118.000	1.356.369.664.505	50,71%
2013	777.002.647.000	1.524.846.569.429	50,95%
2014	839.751.885.000	1.720.681.332.655	48,80%
2015	839.349.453.000	1.829.072.689.710	45,88%
2016	954.492.035.000	1.711.185.350.080	55,78%

Source : BPS Malang, 2018

From table 17 above, it is known that achievement level of local financial performance from the central contribution to TPD in Malang 2012-2016 reaches 45.88% to 55.78%, and from the data obtained shows that the level of achievement of regilocal financial performance from the central donation against TPD is fluctuative. In 2012 the level of achievement of local financial performance from the central contribution to TPD 50.71%. In 2013 it increased to 50.95%. But in 2014 decreased to 48.80% and in 2015 again decreased to become 45.88%. In the year 2016 experienced a significant increase of 55.78%.

2. Supporting and Inhibiting Factors of Department of Local Tax Service Performance to Increase Local Own Revenue in Malang.

a. Supporting Factors of Department of Local Tax Service Performance Malang

1) Internal Factor

a) The existence of skilled, professional, and educated human resources

In the service, employees must have the skills and educated because in BP2D Malang has held training to improve the performance of the employees. This is according to Mrs. Surya Betasari SE., MM as Head of General Subdivision of Department of Local Tax Service Malang:

“BP2D sering mengadakan beberapa pelatihan dan diklat untuk para pegawainya, sehingga staff atau pegawai yang masih kurang memahami tentang pajak serta kurang memahami tugasnya menjadi tahu sesudah diberikan diklat itu. Disini juga ada pelatihan kedisiplinan dan mental untuk para pegawai BP2D yang dilakukan oleh pihak militer. Hal ini dilakukan untuk menunjang kinerja para pegawai BP2D. Selain itu pegawai perlu diberikan pelatihan agar pegawai bisa menjalankan tugasnya dengan baik, cepat dan tepat” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile, according to Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision:

“Kita biasanya melakukan pelatihan, briefing dan pengarahan dulu untuk pekerja yang turun ke lapangan. Setelah itu kita dampingi terlebih dahulu kurang lebih selama satu bulan agar tidak terjadi kesalahan saat menjalankan tugas di lapangan. Kita juga kerjasama dengan pihak ketiga untuk melakukan penertiban pajak.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on interview with Mr. M. Samsul Hidayat as Tax Service Development System Subdivision of BP2D Malang explained that:

“Kalau di BP2D guna meningkatkan keterampilan dan skill pegawainya melalui diklat dan pelatihan mbak. Disini ada banyak macam-macamnya, misal diklat Bimbingan Teknis/BIMTEK, pelatihan kedisiplinan sama Anggota TNI, memberikan motivasi kepada pegawai yang supaya tetap

kompak juga dan memberikan tips-tips cara yang baik dan benar saat melakukan komunikasi dengan wajib pajak. (Hasil wawancara pada tanggal 11 Februari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

b) Availability of adequate facilities and infrastructure

Facilities and infrastructure owned BP2D Malang always improve and existing facilities to support the performance of employees in providing services to the community. This is done by Mrs. Surya Bettasari, SE., MM as Head of General Subdivision:

“Untuk sarana dan prasarana yang ada disini menurut saya sudah lengkap, tetapi banyak yang bermasalah/rusak. dinas memiliki peralatan elektronik yang meliputi komputer jaringan sebanyak 2 unit, printer sebanyak 140 unit, komputer PC sebanyak 150 unit, laptop/notebook sebanyak 30 unit, untuk membantu kegiatan operasional. Sedangkan kendaraan terdiri dari roda 4 sebanyak 19 buah, 1 kendaraan skylift, dan roda 2 sebanyak 53 buah. Adanya kendaraan ini memang sangat mendukung kelancaran pelaksanaan operasi terhadap penagihan pajak daerah, tapi tenaga kerja yang ada disini juga yang masih kurang.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

According to Mr. M. Samsul Hidayat as Tax Service Development System

Subdivision of BP2D Malang explained that:

“Sarana dan prasarana yang dimiliki BP2D sudah cukup banyak dan mampu mendukung kinerja pegawai disini, terutama dalam proses penarikan pajak. Disini sudah ada kendaraan berupa mobil dan sepeda motor yang digunakan untuk pelayanan dan sebagai penagih kepada wajib pajak yang tidak mau membayar pajak. Sampai saat ini masih banyak wajib pajak yang menunggak pajak.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision said :

“Sarana dan prasarana yang ada dan disediakan dari BP2D semua sudah lengkap mbak. Mobil dan motor semuanya lengkap sudah ada, setiap bidang juga memiliki kendaraan dinas. Jadi itu sangat membantu kita dalam melaksanakan tugas, apalagi dengan target pajak daerah yang terus meningkat tiap tahunnya, jadi harus mencukupi juga sarana dan prasarana

yang disediakan.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Kantor Pelayanan Pajak Daerah Kota Malang).

Based on the results of these interviews can be concluded that the facilities and infrastructure are adequate and able to support the performance undertaken by Department of Local Tax Service Malang. This is because for employees to serve the community optimally, it is necessary facilities and infrastructure that support the smooth work.

2) External Factor

a) Factor of Potential Revenue Sources

What is meant by potential revenue sources is the existence of certain fields that allow to be able to provide income for local treasury. These fields include:

- a. Source Income Intensification
- b. Source Income Extensification

According to interview with Mrs. Surya Bettasari, SE., MM as Head of General Subdivision explained that:

“Potensi pajak di Kota Malang sangat besar dan perkembangannya juga cukup pesat. Untuk mengoptimalkan potensi-potensi pajak tersebut BP2D melakukan beberapa upaya berupa intensifikasi dan ekstensifikasi pajak. Misalnya untuk ekstensifikasi itu upaya menggali potensi pajak baru yang masih belum terdaftar. Kalau yang intensifikasi biasanya kita lakukan motivasi kepada para wajib pajak.”(Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

The same explanation said by Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision, that:

“Potensi pajak di Kota Malang bisa dikatakan sangat bagus. Kota Malang ini banyak sekali pusat perbelanjaannya, pembangunan dilakukan dimana-mana dan juga merupakan salah satu kota destinasi wisata. Terlebih Kota

Malang juga sebagai kota pendidikan yang memiliki jumlah mahasiswa yang sangat banyak. Ditinjau dari faktor-faktor tersebut sudah jelas kalau Kota Malang punya potensi pajak yang bagus.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on interview with Mr. Nanang Sweist S. Ab as Head of Registration

Subdivision explained :

“Potensi pajak Kota Malang sangat tinggi dan akan selalu meningkat mbak. Maka dari itu, BP2D melakukan beberapa strategi pajak berupa intensifikasi dan ekstensifikasi dengan menjadikan potensi pajak yang belum ada menjadi ada. Di Kota Malang juga terus-menerus ada proyek pembangunan dan itu merupakan salah satu objek/potensi pajak yang harus kita gali.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

From the interview result, it can be concluded that Malang has very high tax potential and promise, because Malang is one of the city that keep growing and is a tourist destination city and has many students who come from out of town. To maximize the potential of existing tax in Malang, BP2D make efforts of intensification and extensification local taxes.

b. Inhibiting Factor of Department of Local Tax Service Performance Malang

1) Internal Factor

a) Limited Number of Employees in Department of Local Tax Service Performance Malang

In the case of the limited number of employees at Department of Local Tax Service Malang, Department of Local Tax Service Malang held the recruitment of contract workers TPOK / Operations Supporting Workers. In addition, there is also joint operation of tax objects with third parties or linear agencies so that the

limitations of employees can be resolved. This is supported by the statement of

Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision :

“SDM yang ada di BP2D masih banyak yang kurang. Jadi kita melakukan rekrutmen setiap tahunnya untuk pegawai kontrak. Terutama untuk menambah jumlah pegawai yang turun ke lapangan. Tapi tetap saja masih kurang.” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile, Mr. M. Samsul Hidayat as Tax Service Development System Subdivision of BP2D Malang explained that the quality of human resources in BP2D is still lacking. This statement was submitted during the interview as follows :

“SDM terus terang saja masih sering kurang. Jumlah pegawai tetap yang ada disini tergolong masih kurang untuk menangani pajak di Kota Malang, oleh karena itu BP2D menerima Tenaga Pendukung Operasional Kegiatan/TPOK untuk membantu mengerjakan tugas kami. Namun kita anggap sampai saat ini juga belum mencukupi. Kembali lagi potensi pajak di Kota Malang itu sangat besar. Ketika banyak yang harusnya bisa tertagih jadi terlewatkan tertagih, atau tidak maksimal dalam menagih dan menggali potensi pajak yang ada di Kota Malang” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

From the interview result, it can be concluded that to handle the existing tax in Malang, BP2D still lack human resources (HR) so they have to do rekrutmen TPOK employee / contract employee. In addition to conduct inspection and control of local taxes, Department of Local Tax Service Malang is often assisted by the city government and third parties to carry out joint operations.

b) Low Monitoring System

In addition to the limited number of existing employees, other factors that hampered the performance of BP2D to increase PAD Malang is the low supervision made by the BP2D. Monitoring system is an important thing in improving the PAD of an area because with a good supervision system will reduce the number of taxpayers who seek to avoid or seek to minimize the burden of tax obligations. This is as expressed by Mrs. Dra. Wiwik Yosoniati as Head of the Determination Subdivision added :

“Selama ini pengawasan yang dilakukan kepada wajib pajak parkir di pusat perbelanjaan adalah dengan melakukan pemantauan langsung ke lokasi objek pajak. Tapi ya tidak setiap hari dan rutin dilakukan, biasanya itu hari Rabu, Sabtu dan Minggu. Soalnya kan kalau weekend pengunjung yang datang itu lebih banyak dan kalau hari Rabu kita anggap pemantauan selama hari kerja, apalagi keterbatasan jumlah pegawai dari BP2D. Pegawai lapangan dari BP2D yang datang ke objek pajaknya. Jadi awal-awal onjek pajak itu buka kita tongkrongi dulu dan kita hitung omsetnya selama satu bulan itu jumlahnya berapa, setelah itu kalau dirasa tidak ada kecurangan ya kita jarang kesana lagi.”(Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Meanwhile based on interview with Mr. Nanang Sweist S. Ab as Head of Registration Subdivision explained that :

“Sistem penghitungan pajaknya itu sebenarnya ada dua, yaitu BP2D perhitungan pajak yang dilakukan oleh aparat pajak (Official Assesment System) dan perhitung pajak sendiri oleh wajib pajakm (Self Assessment System). Untuk di Pusat Perbelanjaan yang ada di Kota Malang semuanya menggunakan Self Assessment System karena kalau pakai metode ini kan wajib pajaknya menghitung sendiri ketetapan pajaknya sehingga memungkinkan wajib pajak kurang terbuka dan jujur dalam pelaporan omset usahanya. Jumlah pegawai yang terbatas juga tidak memungkinkan setiap hari dan terus-menerus melakukan pengawasan nongkrongin objek pajaknya. Kita juga butuh keterlibatan wajib pajak terutama pihak manajemen pusat perbelanjaan itu untuk melaporkan omsetnya secara jujur dan apa adanya. Kalau untuk tindakan preventif kita sudah ada, yaitu mulai tahun 2013 kita sudah melaksanakan e-tax. Jadi kalo pakai e-tax ini jumlah pajak terutangnya langsung dikirim ke server kita jadi kan gak mungkin terjadi penyelewengan. Tapi memang belum pajak di Kota Malang itu menggunakan e-tax kan soalnya mesin e-taxnya bukan dari sini” (Hasil wawancara pada

tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

From the results of the above interviews can be concluded that the supervision of taxes conducted by Department of Local Tax Service Malang is still not intensive. The new BP2D conducts ongoing monitoring if there is any discrepancy in reporting the amount of turnover made by the Shopping Center taxpayer. This happens because BP2D lack of employees so it can not supervise the object of intensive taxes and not all Shopping Centers in Malang using online system in tax reporting indebted.

2) External Factor

a) Uncertain Extreme Weather in Malang

In increasing the PAD of an area, the weather from nature is one of the performance supporting factors undertaken by the state apparatus. In reality, however, the unpredictable weather or climate will hamper the performance of the state apparatus to carry out its duties. The high intensity of rain and other extreme weather greatly hampered the performance of the fiscal apparatus in maximizing its duty in collecting taxes. Mrs. Surya Bettasari, SE., MM as Head of General Subdivision give opinion about weather as inhibiting factor of BP2D performance as follows :

“Untuk faktor penghambat kinerja itu bermacam-macam yang kita hadapi, salah satunya adalah cuaca ekstrim seperti hujan deras yang terus-menerus disertai angin yang kencang juga menghambat kinerja kita. Terutama para pegawai lapangan yang biasanya naik motor ketika menagih pajak gitu kan sangat berbahaya, apalagi mobil yang dinas yang tersedia juga terbatas serta jam kerja yang juga terbatas. Mau tidak mau ya harus tertunda.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 11.10 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

To overcome these problems, BP2D do tax collection by car. will, fiscal apparatus still not be optimal in carrying out its duties in collecting taxes.

b) Lack of Community Awareness as Taxpayers in Paying Local Taxes

In increasing the PAD of a region, attitudes or awareness of the community in paying taxes is one key to its success. But the reality is often found various forms of action from the taxpayer society that seeks to avoid or attempt to minimize the burden of its obligations through various means, such as through the falsification of object data so as to affect the small tax payments on the tax object. Based on interview with Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision of community participation in paying taxes is :

“Jadi tingkat partisipasi masyarakat masih bisa dikatakan rendah. Kesadaran wajib pajak atas pembayaran pajak juga masih rendah. Wajib pajak tidak mau mendaftarkan diri atau memiliki inisiatif untuk mendaftarkan diri sebagai wajib pajak secara langsung dan kalau membayar pajak terkadang ada yang tidak sesuai dengan kenyataannya. Masih ada juga yang menunggak pajak dengan alasan lupa tidak lihat tanggal. Jadi ya memungkinkan juga pendapatan kita bisa berkurang” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Mr. M. Samsul Hidayat as Tax Service Development System Subdivision of BP2D Malang adding that :

“Tentu saja tingkat kesadaran dari wajib pajak masih kurang, jadi masih banyak yang menunggak pajak. Para wajib pajak juga masih ada saja yang menunggak dan minta keringanan saat bayar pajak, secara otomatis itu akan mempengaruhi penerimaan pajak kita.” (Hasil wawancara pada tanggal 1 Februari 2018 pukul 10.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

And based Mr. Nanang Sweist S. Ab as Head of Registration Subdivision explained that :

“Wajib pajak masih banyak yang menunggak dan belum membayarkan membayarkan pajaknya sesuai tempo yang ditentukan. Sehingga kita harus memberikan peringatan dan memanggil wajib pajak tersebut. Disamping itu banyak masyarakat yang belum mendaftar sebagai wajib pajak” (Hasil wawancara pada tanggal 11 Januari 2018 pukul 10.00 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

To overcome the problem, Department of Local Tax Service Malang has made several efforts to solve the problems encountered, namely by holding collections or billing actively and has been applied gradually by :

- a. Issue a letter of reprimand in accordance with applicable provisions.
- b. Examining the actual data provided by the taxpayer with the reality of the actual tax object.
- c. Conducting data collection for taxpayers who have not fulfilled the obligation to pay taxes.

c) Location of Department of Local Tax Service Malang Less Strategic

The location of Department of Local Tax Service Malang located in the east of Malang which is quite far from the city center. This will lead to inefficiency and ineffectiveness because the trip to BP2D office takes a long time. With the location of BP2D which is far from the city center causes the taxpayers are reluctant to pay taxes. This is supported by the statement of Mrs. Devitna as the taxpayer namely :

“Lokasi kantor BP2D ini cukup jauh. Terletak di ujung kota malang di daerah perbatasan sama kabupaten Malang. Kalau mau bayar pajak kadang ya agak malas mau kesana apalagi kalau naik sepeda motor dan keadaan hujan. Tapi mau gimana lagi, pajak kan sudah kewajiban yang harus dibayar. Mungkin kalau prosedur pembayarannya lebih ga perlu datang ke BP2D gitu mungkin lebih praktis” (Hasil wawancara pada tanggal 13 Februari 2018 pukul 10.30 WIB di Mall Olympics Garden).

The same thing also explained by Mrs. Dayuk as taxpayer :

“Sebenarnya tidak masalah lokasinya jauh, tapi ya akibatnya membuat kami selaku wajib pajak itu enggan untuk datang ke kantor BP2D yang harus membutuhkan waktu perjalanan cukup lama dan belum lagi kalau dihitung sama waktu macetnya dan medan jalan kesana banyak yang berlubang besar-besar. Selain itu banyak kerjaan lain yang harus saya selesaikan mbak.”(Hasil wawancara pada tanggal 12 Februari 2018 pukul 10.05 WIB di Gajah Mada Plaza Malang).

Meanwhile, according to Mrs. Dra. Wiwik Yosoniati as Head of Determination Subdivision said :

“Sebenarnya kita sudah paham kalau letak BP2D ini jauh dari pusat kota, maka dari itu kita melakukan jemput bola yang fungsinya misalkan ada wajib pajak baru yang mau mendaftar dan tidak bisa datang ke kantor bisa langsung hubungi nomor kantor BP2D setelah itu kita datangi langsung ke lokasi. Kalau mau bayar pajak juga kita layani yang penting hubungi BP2D dulu nanti kita datangi buat bayar pajaknya.”(Hasil wawancara pada tanggal 11 Januari 2018 pukul 09.35 WIB di Kantor Badan Pelayanan Pajak Daerah Kota Malang).

Based on the results of observations and interviews indicate that the location of BP2D which is located far from the city center becomes one of the inhibiting factors in increasing local taxes Malang. BP2D location far from the center of Malang makes a lot of taxpayers who are reluctant to go to BP2D office to pay taxes. This will reduce the local tax revenues because many taxpayers are reluctant to go to BP2D to pay taxes, other than that the location of BP2D office that is less strategic also makes BP2D work becomes more severe because they have to go to taxpayer one by one.

C. Data Analysis

1. Department of Local Tax Service Performance in Increasing Local Own Revenue in Malang

a. Organizational Performance of Department of Local Tax Service Malang

Performance indicators are very important for organizations, whether public organizations or business organizations because performance can not be measured without performance indicators. An organization needs performance indicators to inform managers about the condition of the organization. These indicators serve to measure the performance of the organization that will be used by management to take certain actions. Such performance indicators should be valid and not misleading, since information resulting from invalid performance indicators will result in wrong management decisions and actions (Mahmudi, 2007: 147). In this case, the indicators that used to increaselocal own revenue can be seen from the input (potential), process (implementation), output (result), benefit and impact :

1) Input (potential) Employees of Department of Local Tax ServiceMalang

According to Mahsun (2006:77), Input is everything needed for the implementation of activities can run to produce output. This indicator measures the amount of human resources, equipment, materials, and other inputs used to carry out activities. By reviewing the distribution of resources, an agency can analyze whether its own power allocations are in line with the strategic plan being implemented. This benchmark can be used for benchmarking with relevant institutions.

In Department of Local Tax Service Malang, the required inputs already exist and are able to support the organization's performance well. Such as human resources / employee, facilities and infrastructure. However, there are still some shortcomings in inputs that need to be met to produce a more optimal output.

a) Human Resources

Human resources have an important role in an organization to achieve a common goal. The development of the quality of human resources of the apparatus in the last decade is to improve the quality of the apparatus through efforts such as education and employee training. As stated by Soekidjo (1999: 4) that in order to improve the quality of skills related to work ability, thinking and skills, the most important education and training are needed.

The adequacy of human resources in the service process is very needed for completing community service on a timely basis. As explained by Mahmudi (2015: 14), performance measurement is a means of employee learning about how to act, behavior change, attitude, skills or knowledge to achieve the best results. Therefore, the need for sufficient human resources to produce optimal services.

In table 6 page 84 where the number of employees in Department of Local Tax Service Malang Malang has a civil servant amounted to 105 people. With the number of civil servants who reached 105 people in Department of Local Tax Service Malang still feel shortage of employees, especially employees who served in the field. So BP2D recruit employees TPOK or Non PNS which amounted to 49 people. The main objectives and objectives of the development of the quality of human resources of the apparatus are in the framework of the realization of a

skilled, disciplined, productive government administration with productive values and a good use.

I. Formal Education

Education is a learning of knowledge related to a general improvement and understanding of our surrounding environment. In this case education needs to be in priority because in creating quality human resources that can be seen from the education it has. So it can be concluded that the higher level of education owned by a person the higher the quality of one's resources. It is also in accordance with the opinion of Heidjrachman and Suad (1997) Education is a learning activity to improve the general knowledge of a person including in the improvement of mastery theory and skills deciding on the issues related to activities to achieve goals.

This can be seen from table 8 page 84 about clarification of employees based on education which shows the average level of education of majority of high school graduates are 42 people, while S1 graduate of 38 people and S2 there are 16 people. One's education has no great effect on the performance of the employees themselves. Because according to some service users have been able to give explanation to the WP and services provided by the employee is very. Performance of employees in Department of Local Tax Service Malang is dependent on the ability of employees in completing the task. In addition BP2D employees should be able to work together to create good performance.

II. Training

Training is an attempt to increase a person's knowledge and skills to do a particular job. Training is one of the coaching of human resources needed by the whole organization. According to Heidjrachman and Suad (1997) training helps employees understand a practical knowledge and its application, in order to improve the skills, abilities, and attitudes needed by the organization in order to achieve its objectives.

From the interview results can be concluded that the training is very important to encourage the quality of service and affect the performance of employees because through training, employees have more skills. Training provided by BP2D to its employees is a briefing of material in the form of capacity building of human resources which is conducted every year for 2 days by bringing competent resources in the field of tax and competent in the field of public service. In addition BP2D provide training to workers who are in the field that is in the briefing first before going into the field and training *BIMTEK* (Technical Guidance) which usually held indor in the hall. The training affects the performance of employees to become better. Because with the training, employees become familiar with their jobdesk and have their own expertise in doing their job.

b) Facilities and Infrastructure

Facilities are everything that can be used as a tool in achieving intent or purpose. While infrastructure is everything that is the main support the implementation of a process (business, service, project). The means are intended

for moving objects or devices such as computers and machines, while the infrastructure is intended for non-moving objects such as buildings. Facilities and infrastructure is a tool used by employees to carry out work in Department of Local Tax Service Malang. According Winarno (2012: 191) facility is an important factor. May have sufficient staff, competent and competent, but without the support facilities (facilities and infrastructure) then the implementation of the policy will not work. Facilities give a big influence in the successful implementation of a policy, because the facilities in the form of infrastructure facilities is the completeness that is used to support the activity.

From the results of the interview can be concluded that the facilities and infrastructure owned by BP2D already complete. Like the facilities in the form of computer network as much as 2 units, as many as 140 units of printers, PC computers as much as 150 units, laptop / notebook as many as 30 units, to assist operational activities. While the vehicle consists of car 19 units, 1 unit of skylift vehicle, and motorcycle 53 units. The main objective in Department of Local Tax Service Malang in completing the facilities and infrastructure needed by employees are :

- 1) Easing the work execution process
- 2) Accelerate the process of execution of work, so it can save time
- 3) Improving the quality of service to the community

c) Regulation

Regulation is rules that used by Department of Local Tax Service Malang in order to do their performance. In Department of Local Tax Service Malang used Local Regulation No. 16 Year 2010 about Local Tax.

Based on the above interviews it can be concluded that the implementation of Local Regulation of Malang No. 16 Year 2010 is not optimal and the performance of BP2D should be increased because still there are some Shopping Centers that still not registered as taxpayer. It is automatically will decrease the Local Revenue in Malang.

2) Process (implementation) Service of Department of Local Tax Service Malang

According to Mahsun (2006:77), In the process indicator, the organization formulates activities, both in terms of speed, accuracy, and the accuracy of the implementation of these activities. The most dominant sign in the process is the level of efficiency and economical implementation of organizational activities. Efficiency means the magnitude of the results obtained by the utilization of a number of inputs. While the meaning of the economics is that an activity carried out cheaper than the standard cost or time that has been determined for it. The process carried out in the of Department of Local Tax Service Malang is tax payment terms and service procedure.

a) Tax Payment Terms

Terms of service in Minister's Decree of PAN No. 25 / KEP / M.PAN / 2/2004 are the technical and administrative requirements required to obtain services in accordance with the type of service. In this case the requirements proposed by government agencies should be clear and definite. Data field shows that the terms of service consists of several conditions namely :

1. The Taxpayer should take :
 - Photocopy of ID card
 - Local Tax Notice (SPTPD)
 - Bringing a Bon Bill or a recap of the proceeds of sale (especially the parking tax), the result of the tax data recap and other supporting documents may be either a parking ticket or Sales Report Recap.
2. Tariff / Service Fees
 - The amount of fees in accordance with the amount of local tax assessment stipulated in the SKPD.

Based on the above, Department of Local Tax Service Malang has provided clear requirements to make the payment of local taxes and has been in accordance with the Public Service Standards owned by Department of Local tax Service Malang. Required requirements are quite easy because taxpayers only need to bring SPTPD, copy of ID card and Bon Bill / turnover. It can also be seen from the interview that the requirements required to pay taxes in Department of Local tax Service Malang is quite easy.

b) Service Procedure

The service procedure in Decree of the Minister of PAN No. 25 / KEP / M.PAN / 2/2004 is the convenience of the stages of service provided to the public in terms of simplicity of service flow. This procedure can not be reversed in the order, so it should be sequential according to the stage. In Minister' Decree of PAN No.63 / KEP / M.PAN / 7/2003, it is mentioned that the implementation of service must fulfill some principle of service, one of which is simplicity which implies the public service procedure is not convoluted, easy to understand and implemented.

This principle of simplicity can be achieved in Department of Local Tax Service Malang. The service procedure is quite simple, ie the taxpayer only passes through five steps :

1. Taxpayer Brings the Bon Bil and SPTPD turnover
2. Then BP2D Officer to match whether the bonbil has been in accordance with the turnover, if it is appropriate to be included in the data card and made a Local Tax Assessment Letter (SKPD)
3. Officers make Local Tax Payment (SSPD)
4. Taxpayers pay the taxes as stated in the SKPD in Bank Jatim available at Department of Local Tax Service Malang. (If SKPD is not or less paid after the due date of payment, shall be liable to administrative sanctions in the form of interest of 2% per month and billed through STPD).
5. Taxpayer receives proof of payment of Local Tax from Bank Jatim.

But the data field shows there is still one more procedure in the process of payment of taxes, ie taxpayers must submit proof of payment from Bank Jatim to

officers in BP2D. Based on this, it can be seen that BP2D has applied the principle of simplicity because the taxpayer only passed five stages. But from the interviews of the taxpayer majority of them still replied that the tax payment procedure is still convoluted. This is because the taxpayer still have to go back and forth from the counter payment in BP2D then pay taxes in Bank Jatim and after that still have to submit proof of payment from Bank Jatim to BP2D officers.

3) Output (Outcome) Services of Department of Local Tax Service Malang to the community satisfaction level that includes :

According to Mahsun (2006:77), Output indicator is something that is expected to be directly achieved from an activity that can be physical or nonphysical. The output indicator or benchmark is used to measure the output resulting from an activity. By comparing outputs, agencies can analyze whether activities have been carried out in accordance with the plan. The output indicator is used as the basis for assessing the progress of an activity when a benchmark is associated with a well-defined and measurable objective of activity. Therefore, the output indicator should be in accordance with the environment and nature of agency activities. For example for research activities, performance indicators relate to patent output and scientific publications.

In Department of Local Tax Service Malang that include as output indicator is certainty of service charge in line with Decree of PAN Minister No. 25 / KEP / M.PAN / 2/2004 the principle of certainty of service charge is the suitability between fees paid has been in accordance with the cost set without any additional other charge and service speed which is according to Decree of PAN Minister No.

25 / KEP / M.PAN / 2/2004 the principle of service speed is service time targets can be completed within the time set by the organizing unit.

a) Service Speed

Speed of service in Decree of the Minister of PAN No. 25 / KEP / M.PAN / 2/2004 the principle of speed of service is service time targets can be completed within the time set by the organizing unit. So employees in carrying out their duties must be on time and in accordance with the standards of service owned by Department of Local Tax Service Malang. Such as tax payment service process which completion time of 10 minutes while for field verification is three days.

It can also be seen from the interview that the speed of service provided by officers BP2D Malang is already fast, means the quality of service apparatus has included satisfying the community.

b) Certainty of service charge

Decree of PAN Minister No. 25 / KEP / M.PAN / 2/2004 the principle of certainty of service charge is the suitability between fees paid has been in accordance with the cost set without any additional other charge. While the amount of local tax rates in Department of Local Tax Service Malang has been set through the Local Regulation of Malang No. 16 of 2010 on Local Tax and Local Regulation of Malang No. 2 of 2015 on the Amendment of Local Regulation of Malang No. 16 of 2010.

In accordance with the results of interviews and equipped with data of Local Regulation Malang No. 16 of 2010 on Local Tax and Local Regulation of Malang No. 2 of 2015 on the Amendment of Local Regulation of Malang No. 16 of 2010

can be concluded that the certainty of the cost in the set is appropriate and no other levies are granted to the taxpayer.

4) Benefit from Services of Department of Local Tax Service Malang that includes :

According to Mahsun (2006:77), The benefit indicator is something related to the ultimate goal of the implementation of the activity. The benefit indicator illustrates the benefits derived from the outcome indicator. The benefits are only visible after a few months, especially in the medium and long term. The benefit indicator shows what is expected to be completed and functioning optimally (on location and time). In Department of Local Tax Service Malang that include as benefit indicator is community participation level and community satisfaction level. In this case community participation level and community satisfaction level becomes a very important indicator in measuring performance level generated by Department of Local Tax Service Malang.

a) Community Participation Level

Community Participation here means that the participation or involvement of the public (taxpayers) consciously to make tax payments. Taxpayer is an individual or an entity that is obliged to pay tax in accordance with the provisions of local tax legislation. Taxpayer awareness is a matter of determining the amount or the amount of tax revenue received by BP2D. This is also in accordance with Soenarko (2000: 186), which states that one of the factors supporting the success of performance in the public sector is sufficient information, especially regarding the condition and awareness of the targeted community.

Based on interviews that have been done can be seen that the level of public participation (taxpayers) in Malang is still low. This can be seen from the number of taxpayers who pay taxes not in accordance with the real tax indebted. In addition, there are still many objects of tax in Malang that have not been registered as a taxpayer. High number of taxpayers who pay their taxes are not in accordance with the real tax indebted that actually can give bad impact to the local revenue of Malang. In addition, many owners of tax objects that have not signed up as a taxpayer in BP2D. Weak awareness in paying taxes and lack of understanding of the taxpayer will have a bad impact on local tax revenue. The lower awareness of taxpayers in carrying out their tax obligations, will be lower the acceptance of local taxes in Malang

b) Community Satisfaction Level

Community Satisfaction Level is a community response to services that have been given at the same level of results or beyond the perception of community. This is also in accordance with Kotler's opinion (2006: 177) which mentions satisfaction is the feeling of pleasure or disappointment of someone who emerged after comparing the performance (result) thought to the desired performance (or outcome). If performance is below expectations then the customer is not satisfied. If the performance meets the expectations it can be said customer is satisfied. If performance exceeds expectations then the customer is very satisfied or happy. So in performing their duties, employees must be fast, disciplined, fair, friendly and clear in providing socialization services. In addition, procedures and requirements

of service must be clear so that the public feel satisfied with the services provided by BP2D.

Based on the interviews that have been done can be seen that the service provided by BP2D has satisfy the community (taxpayers). This is because the services provided by BP2D are fast and the employees are also friendly and polite to the taxpayer. In addition, the requirements provided are also clear and not burdensome taxpayers. Means that the performance done BP2D already meet the expectations of the community, because the community has been satisfied with the services provided by BP2D.

5) Impact from Services of Department of Local Tax Service Malang that includes:

According to Mahsun (2006: 77), the impact indicators the effect of positive or negative rights. Thus from the indicators above are expected to assess the performance of public sector organizations, especially in local government organizations in an effort to optimize performance in public service. In Department of Local Tax Service that include as impact indicator is increasing of local tax revenue.

a) Increasing of Local Tax Revenue

Local tax is a compulsory contribution to the region owed by private persons or entities who are forced by law to not get rewarded directly. Effects are being made to improve tax revenues BP2D the area is by way of intensification and extensification. Intensification and extensification conducted by BP2D of which

are applied to taxes online, come to WP to pay his taxes, and do several socialization about tax.

Based on the results of interviews and data obtained it can be concluded that the local tax revenue in Malang has increased every year. In addition, the realization of local taxes in Malang also always managed to exceed the initial target that has been determined. This can not be separated from the efforts made by BP2D to increase local taxes such as the implementation of online taxes and pick up the ball or go to the taxpayer so that local taxes in Malang can increase every year.

b. Financial Performance of Department of Local Tax Service in Increasing Local Own Revenue in Malang

1) Effectiveness of Local Financial Performance in managing PAD

The ability of local government in carrying out their duties is categorized effective if the achievement level of effectiveness is at least 100%. The higher level of achievement of effectiveness reflects the ability of local government to be better. Dwirandra (2006: 8), Mahsun (2006: 187) categorize the effectiveness of financial performance can be measured by the criteria of financial performance appraisal in the following table:

Table 5. Level of Financial Performance Effectiveness

Effectiveness of Local Financial	Ratio of effectiveness
Effective	>100%
Effective balanced	=100%
Not Effective	<100%

Source: Mahsun, 2006

Calculate the effectiveness of financial performance, the assumption used is that the targets set by the local government have been through the calculation of potential PAD or potential = target, then in this analysis the amount of potential used approach that is the number of plans / targets which is the estimated levy results that can minimally achieved within a budget year.

a) Target dan Realization of PAD

The effectiveness of financial performance in managing Local Own Revenue (PAD) illustrates the ability of local governments to realize the planned local revenue compared to the target set based on the real potential of the region. To determine the level of effectiveness or failure of financial performance in PAD management, the assumptions used are as follows:

- a) If the contribution of the resulting output (realization of PAD) is greater towards the achievement of the target (PAD target), it can be said that PAD management is more effective.
- b) If the contribution of the resulting output (PAD realization) is smaller towards the target achievement value (PAD target), it can be said that PAD management is less effective. And the benchmark used in the analysis of this study is that if the level of achievement of at least 100% effectiveness, the higher level of achievement of effectiveness describes the ability of local government the better, in accordance with the concept Mahsun existing in table 5 page 35.

Results from table 11 page 107, can be seen that the level of achievement of effectiveness of local financial performance in managing PAD of Malang

year 2012-2016 shows that the fluctuation or experiencing the condition up and down, which ranges from 106.51% to 120.23% . This indicates that for five fiscal years 2012-2016 the management of Local Own Revenue (PAD) has been effective, since the contribution given to the target set is more than 100%.

1. In 2012, the level of achievement of the effectiveness of Local Own Revenue in Malang has increased to 114.76% this shows that the effective local financial performance because the level of achievement of effectiveness is more than 100%. The increase is due to an increase in the target of Local Own Revenue from each component.
2. In 2013, the level of attainment of the effectiveness of Local Own Revenue in Malang decreased by 8.25% to 106.51% despite the decrease, the local financial performance is still considered effective because the level of achievement of its effectiveness is more than 100% and the increase of target of Local Own Revenue.
3. In 2014, the level of achievement of the effectiveness of Local Own Revenue in Malang has increased to 107.11% this shows that the effective local financial performance because the level of achievement of effectiveness is more than 100%. The increase is due to an increase in the target of Local Own Revenue from each component.
4. By 2015, the level of achievement of the effectiveness of Local Own Revenue in Malang has increased by 13.12% to 120.23% this shows that the effective local financial performance because of the achievement of

more than 100% effectiveness, and the more effective management of Local Own Revenue.

5. In 2016, the level of achievement of the effectiveness of Local Own Revenue in the City of Malang amounted to 116.75%, it shows that the effective local financial performance because the level of achievement of effectiveness is more than 100%. The effectiveness of the management of the Local Own Revenue This region derives from the components of the Local Revenue that are realized in accordance or even exceeds the set target.

It can be concluded that the effectiveness achievement level in managing PAD in Malang more effective, as evidenced by the contribution of output produced (realization PAD) greater to the target value achievement (target PAD) every year. It is also proven that the contribution given to the average target each year is 113.05% with an increase in 2016. This increase shows that the performance of local government in realizing the management of Local Own Revenue from year to year is better and more effective. The development of this increasing effectiveness indicates that the efforts of the Local Government of Malang in realizing the management of the Local Own Revenue.

b) Target Effectiveness and Realization of Local Taxes

Measuring the effectiveness of local tax achievement level, used a benchmark level of achievement of at least 100% effectiveness, the higher level of achievement effectiveness describes the performance of local government (BP2D) the better, in accordance with the concept Mahsun existing in table 5 page 35.

Results from table 12 page 108, it can be seen that the achievement level of target effectiveness and realization of local tax in Malang year 2012-2016 showed fluctuation or experiencing ups and downs, which ranged from 107.26% to 126.46%. Nevertheless, this indicates that during the five fiscal years (2012-2016) the management of local taxes has been effective, since the contribution given to the target set is more than 100%.

1. In 2012, the level of achievement of target targets and realization of local taxes in Malang reached 126.46%, it shows that the management performance of local tax is effective because the level of achievement of effectiveness is more than 100%.
2. In 2013, the level of achievement of target targets and realization of local taxes in Malang decreased to 113.41%, it shows that the performance of local tax management has been effective, although decreased by 13.05%, but the level of achievement of more than 100% and increasing local tax target from each component can be realized.
3. In 2014, the achievement level of target effectiveness and realization of local taxes in Malang decreased amount 6.15% to 107.26%, but the performance of local tax management is still considered effective because the level of achievement effectiveness is more than 100%. Although the decline but increase local taxes from each component can be realized.
4. In 2015, the the achievement level of target effectiveness and realization of local taxes in Malang increased by 10.02% to 117.28%, it shows that

the performance of effective local tax management because the level of achievement of effectiveness is more than 100%. The increase is due to an increase in local tax target from each component as well as more effective local tax management.

5. In 2016, the achievement level of target effectiveness and realization of local taxes increased by 7.19% so that the realization of local taxes in Malang became 124.47%, it shows that the performance of local tax management is effective because the level of achievement of effectiveness is more than 100%. The effectiveness of this local tax management comes from the components of local taxes that are realized in accordance or even exceed the target that has been determined.

It can be concluded that the achievement level of financial performance effectiveness in local tax management seen from the target and realization of local tax in Malang year 2012-2016 tends to be effective, as evidenced by the contribution of local tax realization greater to the value of achieving the target of local taxes on each year. It is also proven that the contribution given to the average target each year is 117.61%. The development of the effectiveness of financial performance in the management of local taxes that tend to be effective indicates that the efforts of the Local Government of Malang in realizing the management of local taxes.

One of the other prospective local taxes to be improved is parking tax. In this study to know the contribution of parking tax realization to the realization of local

taxes using the size drafted by Raharjo (2005: 21), can be seen from the following table :

Table 18.Measuring the Contribution of Parking Tax Realization to Local

Taxes

Size	Criteria
0,00-10,00%	Very Less
10,01-20,00%	Less
20,01-30,00%	Medium
30,01-40,00%	Enough
40,01-50,00%	Good
>50,01%	Very Good

Source : Raharjo, 2005:21

The result of table 13 page 110, it is known that the development of the contribution rate of realization of parking tax on the realization of local tax in Malang in 2012-2016 shows fluctuations or experiencing ups and downs, ranging from 0.81% to 1.30%. Despite the decline in 2012-2013 the contribution rate of realization of parking taxes on the realization of local taxes again increased in 2014, 2015 and 2016. This is as expected by Department of Local tax Service for parking tax has more contribution to the realization of local tax. From the data obtained can be concluded that the contribution rate of realization of parking tax on local taxes in Malang is still very less, because the contribution given on average each year only amounted to 1.06%.

c) Effectiveness of Local Tax Collection to total PAD

In this study, the measure used to determine the contribution of local taxes to PAD, ie by using the size conceptualized by Raharjo (2005: 21) which is on table 18 page 142. The results from table 14 page 110, note that the development of the contribution rate of local tax realization to the realization of PAD in Malang year

2012-2016 shows fluctuations or experiencing ups and downs, ranging from 69.09% to 83.75%. Although there is a decrease in the contribution rate from 2013 to 2015 but the amount is not too significant. From the data obtained can be concluded that the contribution rate of realization of local taxes on the realization of PAD in Malang is very good, because the contribution given to the target average every year is equal to 75.44%.

2) Degree of Fiscal Decentralization

As described in chapter II, to know the financial performance can be done by degree of fiscal decentralization analysis, this analysis is useful to know the financial performance as well as can be an indicator of the level of dependence on the balance fund from the center, which can be determined from the amount of PAD area concerned. As drafted by Musgrave and Musgrave (1991: 68), 3 ways can be used:

- a. PAD (Local Own Revenue) to total local revenue,
- b. BHPBP (Profit Sharing and Non-Tax) to total local revenue, and
- c. Contribution from the Central to total local revenue.

a) PAD to Total Local Revenue

The ratio of local autonomy indicates the level of ability of local governments in financing their own government activities, pembagunan, and services of local communities (Halim, 2008: 232). In this study, the measure used to determine the ratio of local independence is measured using the contribution rate of PAD to the TPD, while the pattern of the relationship using the size conceptualized by Purba (2012), as shown in the following table :

Table 19. Ratio of Local Financial Independence

Financial Capability	Independence Ratio %	Relationship Pattern
Very Low	0-25	Instructive
Low	25-50	Consultative
Medium	50-75	Participative
High	75-100	Delegative

Source: Purba, 2012

Result from table 15 page 112, level of achievement of financial performance from percentage of PAD to TPD in Malang year 2012-2016, can be seen that every year have increase, that is from year 2012 equal to 16,97%, year 2013 become 20,84% in 2014 to 21.65%, 2015 to 23.23% and 2016 to 26.14%.

The situation is due to the increase of each component compilers PAD in Malang in 2012-2016. Although each year the contribution rate of PAD to TPD has always increased in the last five years but the pattern of center-local relationship is still instructive because the average contribution of PAD to TPD is only 21.76%. This indicates that the role of central government is more dominant than the autonomy of local government.

2) BHPBP (Profit Sharing Tax - Non Tax) to Total Local Revenue

Result from table 16 page 112 level of financial performance from percentage of BHPBP to TPD in Malang year 2012-2016 show existence of fluctuate or experience condition up and down. In 2012 BHPBP's contribution to TPD is 9.57%. The following year BHPBP's contribution to TPD decreased to 5.68%. Then in 2014 again increased to 6.79% while in 2015 fell back to 4.75% and in 2016 increased to 6.71%. In 2016 the percentage of BHPBP contribution to TPD is a small number of percentage compared to the year 2012. This is because the

lack of natural resources in Malang that can be relied upon as a source of local revenue.

So, it can be concluded that the financial performance in Malang, when viewed from the percentage of BHPBP to TPD contribution is still very less because the contribution given on average each year only amounted to 6.7%. This shows that taxes shared by the central government are very small.

3) Contribution from the Central to Total Local Revenue

The result of table 17 page 113, the level of achievement of financial performance from the percentage of contribution from center to TPD in Malang year 2012-2016 showed a decrease in 2014 and 2015. In 2012 contribution of contribution from center to TPD is 50,71% at and 50.95% in 2013. Then in 2014 the contribution contribution from central to TPD decreased to 48.80%. In 2015 again decreased even smaller than from previous years that became 45.88% and in 2016 again experienced a fairly high increase of 55.78%.

The decreasing percentage of contribution from the center to TPD due to the realization of PAD Malang from year to year has increased, thus reducing the dependence of the flow of funds from the center. So, it can be concluded that the financial performance in Malang when viewed from the percentage of contributions from the center of the PAD, the level of performance is increasing. Nevertheless, the contribution of local finance is still dominated by the central government because the average contribution contribution given by the center still reaches 50.42% in each year.

2. Supporting and Inhibiting Factor of Department of Local Tax Service Performance in Increasing Local Own Revenue in Malang

Performance is a multidimensional construct that includes many factors that influence it. According to Mahmudi (2007: 20) Factors that affect performance are:

- a. Personal or individual factors, including: knowledge, skills, ability, confidence, motivation, and commitment owned by each individual.
- b. Leadership factors include: quality in providing encouragement, direction, and support provided by managers and team leaders.
- c. Team factors include: the quality of support and encouragement provided by teammates, trust in team members, cohesiveness and closeness of team members.
- d. System factors, including: work systems, work facilities or infrastructure provided by organizations, organizational processes, and performance culture within the organization.
- e. Contextual factors, including: pressure and changes in the external and internal environment.

Thus we can see that in traditional performance appraisal systems, performance is only related to personal factors, but in reality, performance is often caused by other factors outside of personal factors such as systems, situations, leadership, or teams.

But in reality according to observation, the factors that influence the performance of Department of Local Tax Service Malang are the supporting factors and inhibiting factors both include internal factors and external factors. Internal and external supporting factors such as human resources that have good quality, adequate facilities and infrastructure, potential sources of income and good participation of the community. While internal and external inhibiting factors such as the limited number of human resources, lack of community

participation, low monitoring system, location of Department of Local Tax Service Malang is less strategic and the weather is uncertain.

a. Supporting Factor of Department of Local Tax Service Performance

1) Internal Factor

a) The existence of skilled, professional, and educated human resources

Implementation of tax collection of local taxes there are several factors that affect the service. One of them is adequate ability and skill hence execution of duty or job can be done well, fast, and fulfill desire of all parties, both for organization itself and society.

The existence of skilled human resources, professional, and educated the service and the resulting performance will be more leverage. In training for the employees of BP2D will improve the jobdesk understanding of these employees, as well as for the community who acts as a service recipient can enjoy a better service.

b) Availability of adequate facilities and infrastructure

Means of service in question is a kind of equipment, work equipment, and other facilities that work well in the interests of people who are associated with the organization of work. There is an increase in facilities and infrastructure in terms of computerized technology contained in the Department of Local Tax Service Malang, so it can offset the amount of demand that occurs so easy in access. In addition to the existence of adequate facilities site for the public to know information relating to the implementation of local tax payment service.

2) External Factor

a) Potential Factors of Source Revenue

In the explanation of Act no. 23 of 2014 has affirmed that the original revenues aims to allow local governments to explore sources of funding in the implementation of local autonomy in accordance with local potentials as a manifestation of the principle of decentralization. The main factor influencing the success of the region in the implementation of autonomy in the region lies in the local capability in managing local finance as well as optimizing the potential resources available in the region, thus having sufficient financial capability to finance the implementation of governance and local development.

Efforts made by the Local Government of Malang in this case Department of Local Tax Service Malang in an effort to improve the effectiveness of financial performance in the management of PAD is through two methods, namely :

- a. Intensification Method, which is an effort to increase Local Own Revenue (PAD) by maximizing the yield from existing sources of income. Intensification conducted by Department of Local Tax Service Malang, among others :
 - 1) Monitoring starts to open until close the business all day
 - 2) Tax audit and special for tax reporting and payment mechanism
 - 3) Applied online tax program (e-tax)
 - 4) Pick up the ball or go to the taxpayer to pay his taxes
 - 5) Tax socialization to malls, schools and colleges

b. Extensification method, which is an effort to increase Local Own Revenue (PAD) by doing expansion of business field as a source of local income or by opening new business field in order to maximize the source of local income (PAD) of Malang. Extensification done by Department of Local Tax Service Malang, among others :

- 1) Increase the number of taxpayers for all types of taxes conducted by the Field Implementation Unit and *osgab* conducted with the Government of Malang.

b) Community Participation

The participation of the people of Malang is basically very influential to improve the effectiveness of financial performance in PAD management, because the community as the main contributor to local revenue, the effort to improve the financial performance in PAD management will not be so meaningless if it does not get support from the community.

One manifestation of community responsibility sense is the attitude of support to the implementation of local government which, among others, is shown through the active participation of community members in the implementation of local autonomy by way of paying tax bills.

b. Inhibiting Factor of Department of Local Tax Service Performance

1) Internal Factor

a) Limited Number Employees of Department of Local Tax Service Malang

Limited number of personnel of BP2D Malang who served as a tax collector, which when compared between the number of taxpayers and the amount of tax

collectors are not balanced. In addition BP2D also do not conduct intensive supervision because they lack the number of employees. So that the supervision of tax objects in Malang is run alternately.

b) Low Monitoring System

The Self-Counting Mechanism or self assessment system requires BP2D to conduct strict supervision of the taxpayer. This is because the method gives the taxpayer the authority to self-account, self-report, and self-pay the indebted tax that should be paid. So with the implementation of this method allows taxpayers to report late or pay taxes payable or there are taxes that should be paid but not paid. Meanwhile, the supervision conducted by BP2D is still not intensive. BP2D new monitoring when it found an irregularity when the delivery of the amount of turnover made by the parking taxpayer. This happens because BP2D lacks the number of employees so it can not supervise the tax object intensively.

2) ExternalFactor

a) Uncertainty Extreme Weather in Malang

In increasing the PAD of an area, the weather from nature is one of the performance supporting factors undertaken by the state apparatus. In reality, however, the unpredictable weather or climate will hamper the performance of the state apparatus to carry out its duties. The high intensity of rain and other extreme weather greatly hampered the performance of the fiscal apparatus in maximizing its duty in collecting taxes. To overcome these problems, BP2D do tax collection by car. will, fiscal apparatus still not be optimal in carrying out its duties in collecting taxes.

b) Lack of Awareness and Community Participation as Taxpayers in Paying Local Taxes

In general, causing the lack of community awareness as a taxpayer in paying taxes is caused by :

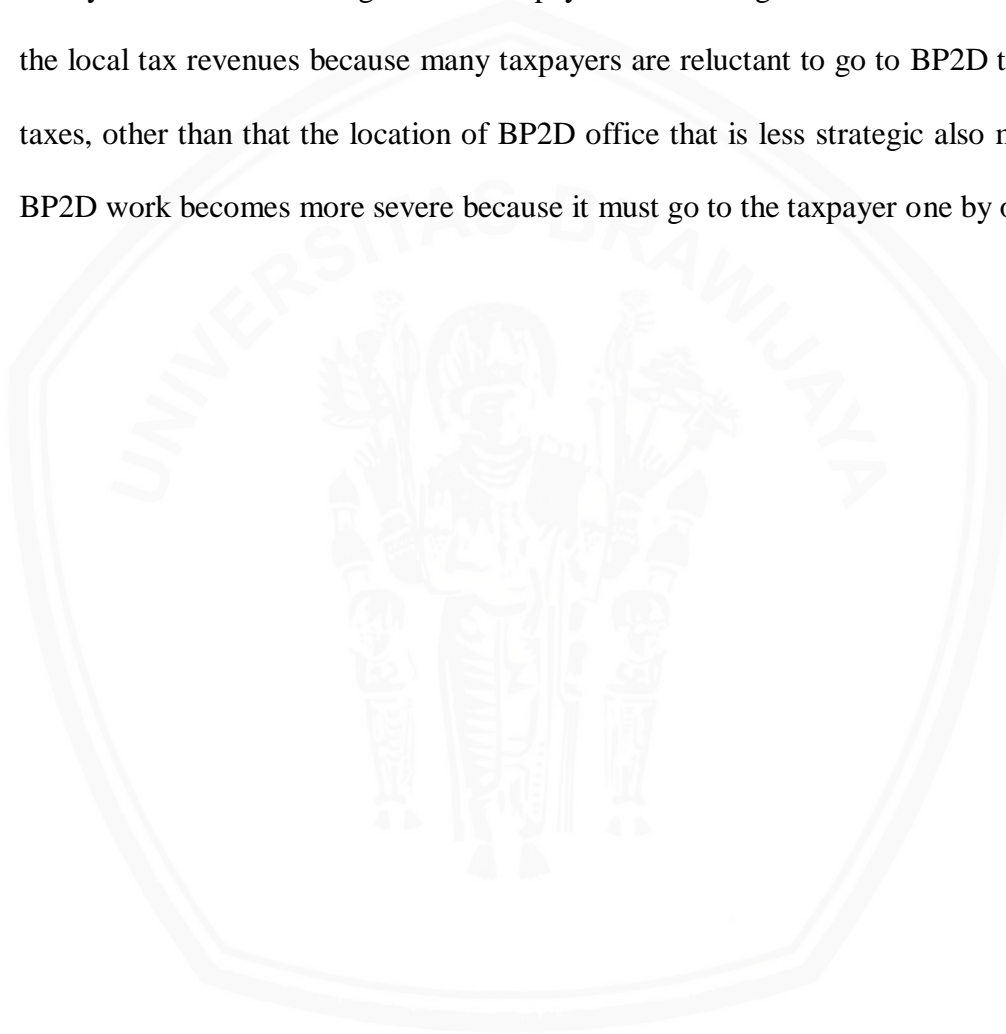
- a. Administration and taxation procedures that are considered still complicated, making people feel reluctant to carry out its tax obligations
- b. There are still many institutions / agencies in the community who have not registered as a taxpayer
- c. Taxpayers who do not report their turnover honestly
- d. Local Regulations governing local taxes are less socialized and punishment/sanctions that given too easy
- e. Location of BP2D which is far from urban center

Although from table 12 page 114 it can be seen that the local taxes revenue has increased from the previous year, but the future is still very potential to be more improved. Evident from some types of taxes levied by Department of Local Tax Service Malang there are some types of taxes that have not maximum in acceptance.

In the future, Department of Local Tax Service Malang can increase the revenue from the tax sector either through the optimization of existing sources or through the addition of new taxes, one way is by maximizing the E-Tax program. In addition, it is necessary to simplify tax regulations in order for taxpayers no longer need to go back and forth from BP2D to Bank Jatim.

c) Location of Department of Local Tax Service Malang Less Strategic

Location BP2D located in the east of Malang away from downtown. The location of BP2D that is far from the city center makes taxpayers reluctant to pay taxes. In addition taxpayers also have other activities so that they feel an objection if they have traveled a long distance to pay their tax obligations. This will reduce the local tax revenues because many taxpayers are reluctant to go to BP2D to pay taxes, other than that the location of BP2D office that is less strategic also makes BP2D work becomes more severe because it must go to the taxpayer one by one.



CHAPTER V

CONCLUSION

A. Conclusion

The research and performance analysis of Department of Local Tax Service Malang in increasing Local Own Revenue resulted in a conclusion as follows :

1. Performance of Department of Local Tax Service Malang

Input (potential) employees of Department of Local Tax Service Malang :

a. Human Resource

Human resources is very important to support performance at Department of Local Tax Service Malang. The number of employees at Department of Local Tax Service Malang reached 155 people consisting of 106 civil servants and 49 non civil servants. With a total of 155 employees at Department of Local Tax Service Malang able to provide services to the public in the field of local tax services.

b. Facilities and Infrastructure

Facilities and infrastructure is a tool and equipment used by employees to perform a job in Department of Local Tax Service Malang. From the facilities and infrastructure has been completed by Department of Local Tax Service Malang in order to simplify and accelerate the running of service process.

Process (Implementation) Service of Department of Local Tax Service Malang:

In the process (implementation) services at Department of Local Tax Service Malang include tax payment terms and tax payment procedures. In terms of tax

payments are good and in accordance with the Service Standards owned by Department of Local Tax Service Malang, but for the payment procedure is considered still not easy.

Output (Result) Services of Department of Local Tax Service Malang to community satisfaction level that includes:

In the output (result) Services of Department of Local Tax Service Malang to community satisfaction level that includes the speed of service and the certainty of service cost is good. Because the services provided by Department of Local Tax Service Malang is fast and the cost given is in accordance with the Local Regulations owned by Malang.

2. Financial Performance of Department of Local Tax Service Malang

a. Target and Realization of PAD Malang

Effectiveness achievement level of financial performance in the management of PAD in Malang more effective, as evidenced by the contribution of the resulting output (realization PAD) the greater the value of achieving the target (target PAD) every year. It is proven also because the contribution given to the average target each year is 117.61% with an increase in 2016. This increase shows that the performance of local government in realizing the management of Local Own Revenue from year to year is better and more effective. The effectiveness development of this increasing indicates that there are some efforts of the Local Government of Malang in realizing the management of Local Own Revenue.

1) Effectiveness of Local Tax Collection to PAD

Effectiveness achievement level of financial performance in manage PAD in local tax sector seen from the target realization of local taxes in Malang is effective because the average realization rate every year is equal to 113.05% and the development of contribution rate realization of local taxes on the realization of PAD in Malang very well, because the contribution given to the average target each year is 75.44%.

2) Effectiveness of Parking Tax Collection to Local Taxes

One of the local taxes that have the potential to increase the revenue is parking tax. It can be seen from its contribution to the realization of local taxes, it can be concluded that the contribution rate of parking tax realization on local taxes in Malang is still very less, because the contribution given on average each year only amounted to 1.06%. In the case of this parking tax collection, Department of Local Tax Service Malang should be able to increase the contribution of parking tax on the local taxes realization.

b. Degree of Fiscal Decentralization

- 1) The financial performance of Department of Local Tax Service Malang in the management of PAD in Malang City, it can be seen from the percentage of PAD to TPD, the level of performance increased every year but the pattern of center-local relationship is still instructive because the average contribution of PAD to TPD only 21 , 76%. This indicates that the role of central government is more dominant than the autonomy of local government.

- 2) Financial performance, when viewed from the percentage of BHPBP to TPD, the level of financial performance weakened This is because the lack of natural resources in Malang that can be relied upon as a source of local revenue.
- 3) Financial performance, when viewed from the percentage of contributions from the Center to TPD, the level of financial performance is increasing, this is because the realization of PAD Malang from year to year increased, thus reducing the dependence of funds flow from the central government.

3. Supporting Factor and Inhibiting Factor Performance of Department of Local Tax Service Malang

a. Supporting Factors of Department of Local Tax Service Performance Malang

- 1) The existence of skilled, professional, and educated human resources
- 2) Availability of adequate facilities and infrastructure
- 3) Factor Of Potential Revenue Sources

b. Inhibiting Factor of Department of Local Tax Service Performance Malang

- 1) Lack of Community Awareness as Taxpayers in Paying Local Taxes
- 2) Limited Number of Employees in Department of Local Tax Service Performance Malang

B. Recommendation

1. In connection with Human Resources is expected employees should always improve the level their education and job training in order to create quality human resources and can produce optimal performance

2. In connection with service procedures, it is expected that BP2D to facilitate the process of paying local taxes by means taxpayers who already have proof of payment of taxes from Bank Jatim submitted to Bank Jatim. After approaching home office hours, BP2D employees are tasked to retrieve payment receipt in Bank Jatim and do recapitulation
3. Striving to increase local tax revenues by intensification and extensification. By the increase of local taxes it is expected to be able to contribute more to the PAD, thus reducing local dependence on the central government. Some other efforts that need to be done to achieve financial performance effectiveness are :

Intensification implemented among others :

- a. Implementing optimally tax collection in accordance with the potential owned under the applicable regulations..
- b. Conduct systematic and continuous monitoring to anticipate the occurrence of deviation in the implementation of local tax collection.
- c. Conducting a persuasive approach to taxpayers to fulfill their obligations through socialization or counseling activities. Socialization conducted in Malang not only once in a year, but also several times in a year because not all taxpayers understand the existing local regulations.
- d. Carry out other control measures to avoid the occurrence of deviation on implementation of local regulations on the management and determination of local taxes.

Extensification carried out among others by the following ways :

- a. Arrange program and development strategy of new collecting object tax that potential to implemented and explained on local regulation.
 - b. Review tariff provisions and target development according to existing local regulations and review local regulations for change.
 - c. Conduct a comparative study to other areas to be informed about other types of tax revenue that may be developed.
4. In relation to the limited number of employees it is expected to increase the workforce or form a joint operation to improve performance and speed up the service process..
 5. Giving strict sanctions to people who do not pay taxes and report taxes are not in line with reality.
 6. To the community is advised to be aware that local development planning will be realized if supported by the community, community participation in development can be in form of payment of tax in accordance with the applicable Local Regulations and in accordance with the object of taxes it has.
 7. The existing facilities and infrastructure need to be added and improved to be more adequate and effective in providing public services. As an example of repairing damaged computers and printers that have been damaged. In addition, maintenance is also required for existing facilities and infrastructure for longer usage period.

8. Implementing the use of e-Tax machine in every Shopping Center in Malang in order to calculate the parking tax to reduce the occurrence of fraud in reporting the turnover of parking tax sales.



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